Daily Report

Latin America

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FBIS-LAT-94-241 *15 December 1994*

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Labor Leader Assesses Summit Challenges

PA1412231094 Caracas ECONOMIA HOY in Spanish 14 Dec 94 p 4

[FBIS Translated Excerpt] The Summit of the Americas did not meet the expectations of the labor movement of the American continent, because the problems affecting workers and the social problems which afflict over 200 million people in the region were not addressed. That is not to deny, however, that major decisions concerning Latin America were made, such as a commitment to democracy and against corruption and a commitment to create in the next millennium a truly free market for all people of the continent, "which includes the labor movement, and which must mean that we are part of that process."

Luis Anderson, secretary general of the Regional Inter-American Workers Association (ORIT), made those remarks, emphasizing that the labor movement must analyze these decisions and observe the actions of governments. "We must participate from the very beginning by ensuring that the plan for a big continental market is not left totally and exclusively at the mercy of the ebbs and flows of what we know as a free market, but that it has a social meaning." He also noted that the labor movement must face another major issue as a result of the "continentalization" [continentalizacion] process, such as the unification of the labor market, so it is carried out under fairer terms and the traditional protectionism of the region's countries is kept from spilling over into the labor market.

Anderson stated that different regions of the continent may compete to protect the interests of a group of affected workers over those of other workers. "The ORIT's mission within the framework of this process of unification of markets will be to make it a priority to see that the best conditions are offered to the workers from Latin America and the Caribbean and that there is no preferential treatment, because a large part of the process must be the creation of decent, well paying jobs with the appropriate social protection."

"Our countries today need a great flow of foreign investment, which comes from the North, because monies from both the North and South are in the North. That is, our nations are really impoverished, and we must be on alert for those voices which could, at some time, oppose the free movement of those investments to the South. We must create possibilities for decent employment, but not based on socially unacceptable competition, something that could happen. China, for instance, is now competing with the rest of the world, but with the labor of slaves, children, and prisoners, and that is socially unacceptable. That is why we must understand that the globalization of capital implies a free movement of capital and investments. We are going to compete with other regions of the world and, unfortunately, within our own region, to attract—under favorable conditions for our countries and workers—investments. The North could regard that as something counter to its interests."

Neither Social Security Nor Social Benefits

The labor leader said it was unfortunate that the summit ignored the social problems and those of the workers. "I see it as a problem, mainly of the United States. The executive branch in that country is extremely weak in relation to the conservative opposition. Therefore, it seems to me that Clinton could not make commitments that were not in the interest of the Republicans. They are not interested in the welfare of the citizens of Latin America and the Caribbean. I see that President Clinton's hands are tied in making social commitments, although he was able to promote the idea of a continental market by the year 2005. This is only an outline. The specifics will be discussed in March 1995."

Anderson maintains that the labor market must participate during the construction of that market to guarantee the interests of the people of the region. "The labor movement must look beyond salaries and collective contracts. It must look at the deep, unjust, critical poverty that divides our own people. It must make sure that economic growth will be achieved along with human and social development. This is a commitment of our labor movement. At the same time, we must get involved in specific issues, such as the right to organize unions, earn better salaries, negotiate collective contracts, social security, and good nutrition and health services. All of this cannot be seen through the prism of free market and multinational companies. Our countries must have the strength and political resolve to fight for both economic and social issues, without placing one above the other. If one must be placed above the other, we must choose social issues, because that is the ethical, moral, and human thing to do."

Anderson asserts that the unification of procedures in the region's economies does not mean that the maquila [assembly plant sector] must exist. He insists that it is up to the labor movement to play an important role, without overlooking the fact that it must work with other forces, because "we are no longer the social actor par excellence that we were 15 years ago. We must work alongside civil society, with those involved in education, children, women's equality, and indigenous peoples. That is what we must do in the future. We could not overlook a summit where decisions were made that may provide a better future for all our people."

Anderson was also pleased with the attention given the corruption issue. He said that if the countries of the region do not manage to overcome this scourge, which is already part of our daily lives, we will not progress toward the social and economic development that we need. "Corruption has a moral and ethical content, but it also has an economic cost because it is inefficient and unproductive." [passage omitted]

Mercosur To Negotiate Integration Process as Bloc

PY1512023594 Madrid EFE in Spanish 2056 GMT 14 Dec 94

[FBIS Translated Text] Ouro Preto, 14 Dec (EFE)—The member countries of the Common Market of the South

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(Mercosur) will negotiate as a bloc, and not separately, the continental integration process agreed upon by the presidents who attended the Summit of the Americas in Miami last week.

The delegates from Argentina, Brazil, Paraguay, and Uruguay, who are drafting the documents that will be signed by the presidents of their countries on 17 December in this city, have determined that the free trade agreements will be made through the mechanisms that regulate Mercosur.

Brazilian Finance Ministry Economic Secretary Winston Fritsch said that the relations between Mercosur and third countries or blocs were examined during the preliminary meetings of this summit.

He said that the delegates evaluated the agreements with the Latin American Integration Association (ALADI), the European Union (EU), and the North American Free Trade Agreement (NAFTA).

Brazil has suggested that the integration process be negotiated between blocs and not countries, given that nearly all the countries in the American continent are members of regional organizations.

According to the Brazilians, it is much easier and effective to negotiate as Mercosur, the Andean Group, the Central American Common Market, Caricom [Caribbean Common Market], or NAFTA.

The summit that will take place in Ouro Preto on 17 December is the seventh to be held among Argentina, Brazil, Paraguay, and Uruguay since the integration process began. Mercosur envisages the establishment of a free trade zone without restrictions in the medium term.

As of next January a customs union will come into effect among the four countries, although a list of products sensitive to foreign competitiveness will remain pending.

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Cuba

Rafters Awarded Temporary Refugee Status in U.S.

FL1512004894 Havana Radio Rebelde Network in Spanish 1000 GMT 14 Dec 94

[From the "Doing Radio" program]

[FBIS Translated Text] While Panama's parliament is demanding a solution to the problem of illegal Cuban immigrants in Panama, the U.S. Southern Command has informed of the departure of 32 rafters on 13 December for the United States, who were given temporary refugee status.

FRANCE PRESSE reports that these rafters were in addition to another group of 46 refugees, consisting of minors under 13 years of age and ill people accompanied by relatives, and to a group of 72 Cubans who sought asylum in Spain and were transported to the United States last week for humanitarian reasons. However, approximately 8,000 rafters remain detained in four camps in a jungle area bordering the Panama Canal, where troops of the Southern Command have doubled alert measures following violent disturbances during which two Cubans died and 249 U.S. soldiers and rafters were injured last week.

The FRANCE PRESSE report adds that Cubans complain of being imprisoned in camps and are demanding entry into the United States.

[Havana Radio Progreso in Spanish at 1200 GMT on 14 December adds that on 13 December, Panama's parliament demanded that President Ernesto Perez Balladares' government not extend the stay of illegal Cuban refugees in the Canal Zone for a term longer than the agreed-upon six months]

Rafter Camps Said Under 'State of Siege'

PA1512023194 Havana Radio Havana Cuba in Spanish 0000 GMT 15 Dec 94

[Report by PRENSA LATINA correspondent Eddy Zamora from Panama City; from the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban rafters camp located in the U.S. Southern Command military areas in Panama are under a state of siege. Liliana Levy, spokeswoman for the so-called Operation Safe Haven, reported that some 1,000 U.S. soldiers arrived in Panama to support the 1,000 soldiers controlling the camps. U.S. troops assaulted Camp 3 and arrested 36 rafters accused of being agitators. According to the Southern Command spokeswoman, some 600 rafters, including eight women, are currently being detained. It is believed that approximately 10 rafters are still lost in the Panamanian jungle. Another rafter was arrested at the border with Costa Rica.

Meanwhile, rafter Osvaldo Pena Aguilera maintained that they are living in very difficult times, because the U.S. troops have taken away the slats which support the cots. The rafters now must sleep in unsupported canvas cots.

He reported that hundreds of rafters remain prisoners in areas encircled by barbed wire. The rafters' hands are cuffed, their feet are shackled, and they are facing the ground. They sleep on the ground as though they were dogs. They are kicked and beaten regardless of their age. Pena also reported that all rafters who remain at the camps, apparently free, are being frisked as they stand in long lines to get their food.

The spokeswoman stated that the U.S. soldiers will keep the situation in the camps under control and will not allow new riots or mass escapes because they have the necessary force to quell such incidents.

Official Notes U.S. Perspective on Summit Results

PA1412174494 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Dec 94

[Report by Mario Munoz; from the "Evening Information Review" newscast—passages within quotation marks recorded]

[FBIS Translated Text] [Munoz] Julio Carranza, the Cuban economist, investigator, and deputy chief of the Center for American Studies, returned recently from the United States. There he participated in many academic events organized by several U.S. universities. He was also invited to participate in several meetings held surrounding the Summit of the Americas. These meetings were hosted by several U.S. congressmen, politicians, and other leaders of the continent. They gave Carranza a more objective view of the summit, which is why we approached him about his experience there and his opinion on the objectives and results of the summit from Washington's perspective.

[Carranza] "The summit had a special importance for the United States. The way in which worldwide commercial competition is conducted is increasingly difficult due to ongoing changes around the world and the creation of large economic blocs. The United States intends to create a bloc under its command in this area. To a certain extent, the Summit of the Americas was a step in that direction, meaning the recovery and consolidation of U.S. hegemony over Latin American countries. Each president came with his or her own position and demanding specific interests. In that light, the fact that the United States summoned and gathered the presidents of the hemisphere was in fact a step in the process of creating this economic bloc under U.S. hegemony."

[Munoz] The largest Caribbean island was excluded from the hemispheric meeting called by the White House. But the U.S.'s intention of approving continental sanctions against the island were no secret. Addressing

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the way in which the Cuban issue was handled at the summit, the leading economist said:

[Carranza] "The Cuban situation was very interesting, because Cuba was excluded, just like at the previous inter-American summit in 1967. It was excluded again for the same reasons: pressure from the U.S. Government, which does not recognize the legitimacy of the Cuban revolution, inasmuch as the Cuban revolution has affected the hegemonic intentions of the United States. This is why Cuba was excluded. Just prior to and during the summit, the Cuban issue generated an important discussion. Since Cuba was excluded, some sought to have the summit condemn the Cuban revolution. Such was the case of Argentine President Carlos Menem, which was no surprise because he had already been trying this for some time. Another group of presidents, among whom we should point out the presidents of Mexico, Brazil, and Colombia, were not willing to allow the Cuban issue to be discussed in Cuba's absence. They reaffirmed Cuba's sovereignty over her own internal affairs, stating that anything that had to do with Cuba's future development only concerned the Cubans who live here and have built the process over all these years. This was the concept that ultimately prevailed. The Cuban issue did not appear in the final statement, which was seen as a defeat for those who sought some form of condemnation."

[Munoz] The United States did not innocently choose Miami as the site of this meeting. In logical terms, it would seem counterproductive to choose this U.S. city for such a meeting, in which 34 heads of state took part, given the fact that Miami has one of the highest crime rates in the country. Behind this choice was Washington's interest in creating a negative response toward the island, taking advantage of the fact that Miami is the cradle of the reactionary right-wing Cuban emigre community. Commenting on the actual reaction toward the Cuban issue during the Summit of the Americas, the deputy chief of the Center for American Studies said:

[Carranza] "Cuba was at the center of the controversy, even though it was not mentioned in the final document. This was not a coincidence but the result of the very controversy that occurred before the summit, during the summit, inside the summit's meeting room, and outside the summit. The fact that the summit took place in Miami obviously presents a very hostile environment for the discussion of the Cuban problem. It is well-known that Miami is the capital of the Cuban counterrevolution; this is where the exiles stage its strongest promotions. Counterrevolutionary organizations, particularly the most aggressive, created a series of situations; they staged a number of activities pressuring for an anti-Cuban statement at the summit.

"Nevertheless, although they have a smaller representation, other organizations raised their voices in defense of Cuban sovereignty and self-respect. This anecdote that I was just relating occurred in the middle of the demonstration that the counterrevolutionary organizations staged during their march from Miami's Calle Ocho to the Orange Bowl, an American football stadium, to demonstrate against the revolution. In the middle of this demonstration a plane appeared at the initiative of another organization that favors dialogue with Cuba; it was pulling a banner that read: This summit is not democratic because the Cuban Government is not represented, because Fidel is not there."

Intellectuals Discuss Miami Summit Results

FL1512020694

[FBIS Editorial Report] Havana Cuba Vision Network in Spanish at 0255 GMT on 14 December carries a 26-minute recording of its regularly scheduled "Open Agenda" program with host Antonio Resillez and his guests, Luis Suarez, director of the Center for American Studies; and Nicanor Leon Cotallo, analyst, writer, and reporter.

Resillez begins the program by asking Suarez to explain the results of the Summit of the Americas. Suarez explains that the summit ended with an extensive plan of action. Twelve pages of this plan pertain to meetings at various levels, which will be held between January 1995 and December 1996. The only meeting that has importance proportionate to the scope of the summit, is the summit for sustained development, scheduled for 1996 in Santa Cruz, Bolivia.

Regarding this, Suarez notes: "To me the most interesting part of this series of meetings is that the summit did not end with specific results. The summit proposes as ongoing the process of negotiations initiated at the summit, which as I specified in my prediction, will most likely be influenced by the changes taking place in the United States' juxtaposition of political forces, beginning with the recent congressional elections, and probably by other international events that could affect the successful conclusion of some of the meetings planned for the next two years.

"We must also take into account that some of those meetings will be held during the U.S. elections with the conditions that an election imposes on the policies implemented by any president of the United States."

Resillez then asks Leon about Cuba's exclusion from the summit. Leon says the Cuban issue was on the minds of those present and that Cuba has already met the goals set by the summit for the year 2010. He goes on to comment: "I believe that we should also explain why Cuba was constantly present at the Miami summit. It was present because there was a public [words indistinct] in which the extreme right sectors of Miami openly participated, along with some of the leaders—specifically, Argentine President Menem.

"This is a man who has distinguished himself by having elevated his official foreign policy to total and unconditional subordination to the foreign policy of the United States. The main goal of this conspiracy, in which certain

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sectors participated with Mr. Menem, was to bring the Cuban issue, even though it was not on the agenda, to the Miami summit debates and to obtain a declaration against Cuba because of an alleged lack of democracy in our country and violation of human rights, that well known discourse developed by U.S. propaganda, which is echoed by characters such as these.

"One of the most significant occurrences was that these intentions and goals of the extreme right failed. In other words, the Cuban issue did not even appear. Despite all these efforts, it did not even appear in the final declaration, nor was the issues discussed during the summit's work sessions.

"Something that did happen, which I believe needs to be highlighted, were the important statements made in defense of non-interference and national sovereignty, elements that did not appear in these documents. The original documents did not mention these terms. Later on, thanks to the position of specific governments, it became necessary to include them. I wanted to mention the position of Mexico, Brazil, Canada, and the case of the Caribbean countries who, in a bloc, issued a declaration against the blockade and in favor of Cuba's right to form part of the inter-American community.

"In that sense, I wanted to point out that during a news conference, Canadian Vice Foreign Minister (Christian Stewart) stated that Fidel Castro had the support of the majority of the Cuban people."

Resillez agrees with Leon and notes that Cuba's absence was felt. He adds: "In this Miami summit, other new terms emerged to try to identify the U.S. policy regarding Latin America. For example, there were terms such as mature relations, new Pan-American order, among many others. This is probably like the many other alliances that eventually result in nothing. Many years after those summits, Latin America and the Latin American peoples are in the same or worse social conditions."

Resillez then asks Leon about the documents signed at the summit that establish the goal of a free trade zone by the year 2005. Leon states: "We need to look at certain points of the documents, which make the validity of those documents a bit uncertain. They are beginning on a difficult, uncertain journey in which one must determine the real possibilities of this program initiated by the United States, not its first. If there are possibilities, one must look at who benefits most."

Suarez interrupts Leon. He points out that the final declaration is very voluminous, consisting of 37 pages, hundreds of paragraphs, and hundreds of initiatives in 23 different parts. He adds: "When one looks at the document one can tell that it lacks a breakdown of the priority social problems of Latin America and the Caribbean. This document has the pompous title, Pact for Development and Prosperity, Free Trade, and Sustainable Development for the Americas. It is part of the American tradition to christen their policies with pompous names.

"When one looks at the document in detail, one can tell there are certain contradictions. I see a contradiction between these social goals and the deepening of free trade, free movement of private investments, the deregulation of Latin American economies, and the opening and continuation of neoliberal policies. It seems a contradiction to say that you are going to solve the problems of poverty, misery, education, and health care on the continent by not only maintaining, but deepening the very policies that created this situation."

More Discussion of Summit Results

FL1412235994 Havana Radio Reloj Network in Spanish 2040 GMT 14 Dec 94

[FBIS Translated Text] Cuban scholars are of the opinion that one positive result of the recently concluded hemispheric summit in Miami was the consolidation of Latin American and Caribbean interests to stand against U.S. objectives. Luis Suarez, director of the Americas Studies Center, believes that the common position presented by the countries of the region forced Washington to rewrite the documents it prepared beforehand, and that Latin American and Caribbean unity, much stronger than expected, resulted in giving the final summit declaration a markedly social character. This was stated by Suarez during a meeting with reporters. Suarez described the summit as an event that simply left many issues pending for what is to become a long series of future meetings by not adopting specific actions to solve the problems listed in the final declaration.

Julio Carranza, deputy director of the Latin American Studies Center, affirmed that despite pressures from Miami counterrevolutionary groups, the Cuban issue was not included in the final summit declaration. Researcher Santiago Perez added that Cuba's exclusion from the summit will cause long-term problems for the summit because—he added—how can one talk in America about health, education, or participation without including Cuba? Pedro Monreal, another scholar from the Americas Studies Center, added that in economic terms, the Miami summit contributed very little because everything was left unclear, even the highly touted hemispheric free trade zone. The Cuban scholars also described as positive the defense of self-determination conducted by the Latin American and Caribbean nations at the summit.

Editorial: Summit, NAFTA 'Assure a Market for U.S. Goods'

FL1412175394 Havana Radio Rebelde Network in Spanish 1255 GMT 14 Dec 94

[Commentary by Eduardo Dimas; from the "Doing Radio" program—live or recorded]

[FBIS Translated Text] One of the side issues stemming from the Summit of the Americas was the invitation made to Chile to join NAFTA, with Mexico, Canada,

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and the United States. That would give NAFTA a more continental character and no doubt it would be the base of the future free trade zone, from Alaska to Tierra del Fuego. Some analysts thought that Argentina would be the country elected as the fourth member due to President Carlos Menen's almost-carnal relation with the U.S. government. It seems that Mexico and Canada chose the Chilean option and the United States accepted, leaving Argentina's aspirations for another occasion.

For Chile's government, who worked many months to join NAFTA, this represents a triumph; but now they will have to study the pros and cons of free trade with countries such as Canada and the United States who are superior in economic efficiency, quality, and productivity in many industries—the same adverse problems that Mexico is facing and that the rest of Latin American countries will encounter if they partially or totally lift customs tariffs. For example, Chile's United Workers Confederation fears that workers will suffer the consequences as small and medium-size companies that cannot withstand the competition go bankrupt. In the same sense, we should look to see which economic sectors are going to benefit and which will be bankrupted due to Chile joining NAFTA. If we analyze the Mexican case, milk producers have suffered from the competition and their sales have dropped. The simple fact is that consumers prefer U.S. milk and butter which have more vitamins and less cholesterol. Something similar occurs with small and medium-size companies, even in the textile area, which have gone into bankruptcy. They call this: adjusting the economy to the world's new circumstances. This phrase does not bear in mind the high social cost: the loss of jobs, the poverty and the misery felt by important sectors of the population. Personally, I consider that whether it is Chile or any other Latin American or Caribbean country, the prevailing tendency is to trade, especially, with the United States. In that sense let's not forget that those who outline those countries' economic policies are the big entrepreneurs, who are allied, one way or another, to multinational capital, mainly from the United States. On the other hand and as part of world economics, the so-called regional economic hubs are being created. They make up markets controlled by one or another country: in Europe, Germany; in Asia, Japan; and for obvious reasons in America, the United States. In the current situation, this is something inevitable. The only problem is that the price to pay for the changes is infinitely larger in countries south of the Rio Bravo [U.S. Rio Grande] than in a country like the United States which is highly developed.

I think that if Latin America would have achieved its economic integration, it would be in better condition to confront the challenge of free trade with the United States. I think it is evident that the creation of a continental free trade zone for the year 2005 will hinder—if not terminate altogether—any intention to achieve integration. That was one of the objectives of the Summit of the Americas, because in doing so the United States guarantees itself a sure market—over 800 million possible consumers—for its products in the next century. I recently said that the worst way to analyze reality is from the point of view of our desires. We live in a world that is the way it is—not the way we would want it to be. That is the way we must take it and try to achieve our goals. In due course and directly or indirectly we will also be part of that continental zone of free trade, from Alaska to Tierra del Fuego. We must get ready for that challenge, but with the smallest social cost possible.

Fidel Castro Receives Venezuelan Chavez at Airport

PA1412225194 Havana PRENSA LATINA in Spanish 0504 GMT 14 Dec 94

[FBIS Translated Text] Havana, 13 Dec (PL)—I am happy to be in Cuba because you can breath the Bolivarian dream here, said former Venezuelan Lieutenant Colonel Hugo Chavez here today, upon beginning his two-day visit to Havana.

Chavez, the 40-year-old leader of the 200 Revolutionary Bolivarian Movement (MBR-200) and commander of the 20 February 1992 military coup against the government of former President Carlos Andres Perez, was received by Cuban President Fidel Castro at the "Jose Marti" International Airport in this capital city at approximately 2130 (0230 GMT).

The former Venezuelan officer came for a conference on the political and military thought of Liberator Simon Bolivar at the invitation of Havana historian Eusebio Leal. This conference is one of the many activities being held throughout the continent to commemorate the 165th anniversary of Bolivar's death, which occurred on 17 December 1830.

"I am honored to be in Cuba and much more to be with President Fidel Castro, who has extended me the courtesy of being here," he said. Chavez also wished the best to the people of this Caribbean country who, he said, "I am sure will get ahead."

He was asked about the MBR-200's plan and answered that it is a "revolution in the economic, political, and social sectors of Venezuela, which will surely become a reality in keeping with the principles of Bolivar."

Also, he added, there is a future full of hope and peace for Venezuela and for all Latin America. This was and is the Bolivarian dream, and "it is all I quest for as a soldier and as a Latin American," he said.

The MBR-200, Chavez emphasized, is also engaged in the struggle for continental integration, to achieve unity, which was Bolivar's greatest dream.

In this sense, he opined that the Bolivarian aspiration "will not be achieved at the Miami summit (in reference to the recently-concluded meeting called by U.S. President Bill Clinton) but only in a Latin American country."

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"What Latin America needs is pan-Americanism that follows the thought of Bolivar not that of (James) Monroe," said a U.S. politician who advocated the doctrine of U.S. tutelary action over Latin America.

The political thoughts of Chavez are being defended by an increasingly growing number of grass-roots groups in Venezuela. Those groups believe that the rebellion headed by Chavez two years ago was prompted by increasing poverty in the country and upheavals that have been undermining the Venezuelan society.

Despite its oil riches and 9 percent economic growth in 1991, Venezuela faces galloping social deterioration because the government cannot give concrete answers to the people's expectations, according to analysts.

After spending two years in prison, Chavez entered the political contest to attempt to create the necessary conditions to make the social changes, which many believe are urgently needed in a country where almost one-third of the population is anemic because there has been a drastic drop in the people's basic food intake.

Chavez's dissertation on the liberator will be given tomorrow at Casa Simon Bolivar in Havana.

During his stay in Cuba, Chavez will lay a wreath at the Simon Bolivar statue in this city and will also attend an event in his honor to be held at the main hall of Havana University.

Also, his hosts have reported that Chavez will visit several places of economic, social, and historical significance.

After visiting Cuba, the Venezuelan politician will travel to the Colombian city of Santa Marta to attend the Second Amphictyonic Congress in honor of the liberator which is to be held at the San Pedro Alejandrino Quinta, where Bolivar died.

Several civilian and military Latin American and Caribbean personalities will attend this event, he said.

Castro, Chavez Talk to Reporters

FL1412171494 Havana Radio Progreso Network in Spanish 1200 GMT 14 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] Commander in Chief Fidel Castro received Ret. Lieutenant Colonel Hugo Chavez, leader of Venezuela's Bolivarian Revolutionary Movement 2,000 [as heard], on 13 December in Havana's Jose Marti International Airport. Chavez, who headed the military insurrection against the government of president Carlos Andres Perez in 1992, talked to Fidel Castro following his arrival, and both answered reporters' questions.

[Begin recording] [Chavez] We are accepting an invitation which honors us, from the Cuban Government and President. Here we are, in this land of Bolivar and Marti, on this Latin American soil, where the authentic Bolivarian dream— for which we Venezuelan soldiers have been searching for a long time—lives and breathes. I and all Venezuelan Bolivarian soldiers salute you all. We are looking forward toward more integration, united by the common dream which revitalizes us. As soldier and Latin American, a dream of mine comes true today, and I have to tell all Cubans that I feel honored to be in Cuba, and even more honored to have President Castro receiving us. This is an honor which we believe we do not deserve yet, though perhaps we will be worthy of it some day soon.

[Reporter] Were you surprised to have Fidel meeting you?

[Chavez] Truly, I was very pleasantly surprised, and...

[Second reporter, interrupting] [words indistinct]

[Castro] There has never been a more opportune, worthy, and honorable occasion to come to this airport to receive a visitor such as Lieutenant Colonel Chavez.

[Third reporter] [Words indistinct].

[Castro] Yes, but there is nothing strange. I wish I had many opportunities to receive such important personalities.

[Third reporter] Thank you, President.

[Chavez] And we would like to welcome him soon in Venezuela. We thank President Castro and you all, and extend to you our most sincere expression of hope for the future of Latin America, and for Cuba also. We take advantage of this opportunity to say that we do not feel we are on any summit here, but in the people's catacombs [las catacumbas del pueblo].

[Fourth reporter] What are your views regarding Bolivar's ideal?

[Chavez] I believe we are far from achieving Bolivar's ideal. If we were going to achieve it—as we will—it will not happen in Miami, but in Latin America; perhaps in Cuba, Venezuela, Peru, Argentina. We are following the path to accomplish this. Thus we have accepted this visit, and we will participate tomorrow in a conference in Simon Bolivar House, where we will discuss Bolivar's belief—not Monroe's approach, but Bolivar's—Pan-American points of view. We also take advantage of this opportunity to invite the Cuban people and its officials to participate in a meeting this weekend, on 17 December, in Santa Marta, Colombia, where Bolivar died [speaker stutters when stating length of time since Bolivar's death, someone in the audience gives a number] 174 years ago. We and several civilian and military Latin American and Caribbean dignitaries will be meeting there—and of course, Cubans will also participate—to discuss geo-political issues. Likewise, we will summon a second Panamanian Amphictyonic Congress which will take place in Panama in 1996, and further in the future, in 1999, when the last American

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soldier must leave the canal zone, which is Bolivar's and is Latin America soil. Therefore, to continue the fight for integration, peace, and development for our people, we are in Cuba following Marti's and Bolivar's path.

[Fifth reporter] What are your political hopes for Venezuela [words indistinct]?

[Chavez] We are convinced that an economic, social, political, and also moral revolution is needed in Venezuela. For this reason our movement is summoning a National Constituent Assembly, speeding the process to achieve this strategic goal, and calling for a National Bolivarian Front, convinced that the people of Venezuela will be able to make dreams come true using Bolivar's sword.[end recording]

Castro Escorts Chavez to Bolivar's Monument

FL1512023994 Havana Cuba Vision Network in Spanish 0100 GMT 15 Dec 94

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro accompanied Venezuelan retired Lieutenant Colonel Hugo Chavez, leader of the Bolivarian Revolutionary Movement 200 [as heard], who laid a wreath at Bolivar's monument, and later gave a news conference on the objectives of the movement he heads.

Earlier, Chavez visited Marti's home in Habana Vieja in the company of Eusebio Leal, and laid a wreath in honor of Marti. At Marti's house he was briefed on important events of Marti's life and the history behind the items housed there.

[Begin Chavez recording] I believe that Bolivar and Marti mesh together in time. It is worth remembering the story of Marti's arrival in Caracas, and before shaking off the dust of the road, visit Bolivar's tomb. We have come here inspired by the same dream of a Latin American identity and unity that impelled Bolivar to wage a war to which he dedicated his entire life, and which also impelled Marti a century ago—the centennial of his death will be observed in 1995. [end recording]

Following the visit to Marti's house, Chavez warmly greeted the neighbors who came to meet him.

Tonight, Havana University's faculty and the Federation of University Students will host a ceremony in honor of Chavez, who is visiting Cuba at the invitation of Eusebio Leal.

Alarcon Denies Chavez Visit Against Venezuelan Stability

PA1512050494 Mexico City NOTIMEX in Spanish 0207 GMT 15 Dec 94

[FBIS Translated Text] Havana, 14 Dec (NOTIMEX)—Cuban parliamentary leader Ricardo Alarcon today denied that the high-level reception accorded Venezuelan opposition leader Hugo Chavez "is an action against Venezuela's political stability or state of law."

On Wednesday Chavez completed the first stage of a two-day visit to Cuba, where he was given high-level protocol treatment. This is unusual treatment for a visiting opposition leader in Cuba. Alarcon told the press that the reception Cuban authorities have given the leader of the frustrated 4 February coup in Venezuela "simply means that we are exercising our rights."

On Wednesday Chavez predicted that if President Rafael Caldera continues his economic policy, he will not be able to complete his term. Chavez said he heads a civilian movement that will sabotage the local 1995 elections for a constituent assembly.

Alarcon said that Chavez, a retired lieutenant colonel, "is not a coupist, but a man of ideas and thought." Describing him also as "one Latin American who has expressed his Bolivarian thought," Alarcon said: "This is how many Venezuelans think."

On Tuesday, President Fidel Castro received Chavez at the foot of the plane's steps. On Wednesday, Castro attended a news conference Chavez held at the Simon Bolivar House in Havana's old quarter, where he discussed the situation in Venezuela.

The conference was also attended by Alarcon, State Council Vice President Carlos Lage, Acting Foreign Minister Isabel Allende, and former Nicaraguan President Daniel Ortega, who is recovering from a heart condition in Havana.

On the evening of 13 December, Castro said "it was never more timely nor more worthy to come to the airport to welcome a visitor such as Lt. Col. Hugo Chavez; this is nothing weird."

"I wish I had many opportunities to welcome illustrious personalities such as this one," Castro said, referring to the Venezuelan leader, whose arrival in Havana took up more than half the first page of the official newspaper GRANMA.

Alarcon asserted that "Chavez is an individual worth knowing and spending time with; I do not think he is a passing personality or an unimportant individual in Venezuela or Latin America."

He also said that Cuba exercised its right to listen to Chavez, "as Colombian authorities will have the right to do," because the Venezuelan leader will participate in a meeting of Latin American politicians in Santa Marta, Colombia, on 17 and 18 December.

Cuban authorities explained that Havana historian Eusebio Leal invited Chavez to Cuba.

The former Venezuelan officer met in Havana with Castro and Cuban military leaders and visited the house

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in which Jose Marti was born. Chavez expects to conclude his visit to the island on 15 December.

Robaina Meets With Italian Counterpart

FL1512021994 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] This afternoon, Cuban Foreign Minister Roberto Robaina met with his Italian counterpart Minister Antonio Martino. Robaina thanked Martino for the humanitarian aid sent by that European country. Martino said that his country is following the situation in Cuba and the efforts made by our people to overcome the adverse economic situation. Robaina expressed interest in expanding cooperation between the two countries in the sectors of tourism, the economy, and telecommunications. Robaina briefed Martino on the current Cuban panorama from the economic and political standpoint, underscoring the government's efforts in international [words indistinct]. Robaina made a stop in Rome on his way to Amman, Jordan, as part of his tour through Northern Africa and the Middle East.

Havana Radio Notes Spanish Envoy's Decision To Resign

PA1412221094 Havana Radio Havana Cuba in Spanish 1300 GMT 14 Dec 94

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Spanish Ambassador to Cuba Jose Antonio San Gil has resigned his post but has denied that this decision was motivated by alleged pressure from Havana authorities, as a (?Madrid) newspaper reported.

In statements in the Cuban capital, San Gil gave assurances that the government of the island has treated him with absolute propriety at all times. The ambassador pointed out that his resignation is motivated by causes he described as very important.

San Gil had led the Spanish representation in Havana since last year.

'Straight Talk' Discusses Oil Production

FL1412133694 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Dec 94

["Straight Talk" program with Host Carlos Santana and guest Fernando Davalos]

[FBIS Translated Text] [Santana] This is "Straight Talk" and today we will focus on an interesting subject: Oil production in Cuba. Our guest today will be reporter Fernando Davalos, from the BOHEMIA MAGAZINE.

Since we are going to talk about this, Davalos, I am going to ask you how oil production is doing in Cuba.

[Davalos] We have good news. On Sunday, they reached the same production that was achieved in 1993. In other words we reached the same level, the 1.1 million tonnes of petroleum in Cuba. Cuba is producing 30,000 barrels of oil daily. That is good news.

[Santana] Is this a high or small amount?

[Davalos] This is 15 percent of what the country needs. It is still very discreet but it is strategic because it permits us to generate 30 percent of the nation's electricity. This is important for our nation.

[Santana] While we are talking about oil production in Cuba, what is so interesting about this production that you want to highlight?

[Davalos] We should first predict that if on 12 or 13 November we reached 1.1 million tonnes, by 31 December we should reach the 1.3 million tonnes. That is also a historic figure. It is approximately 10 percent more than what was produced in 1993. Even though the estimates are very conservative and discreet, they indicate that we will reach 1.28 million tonnes of oil. In any case, the three oil-extracting enterprises have been given the order to work hard and they are struggling. They are increasing their production and the three will reach their goals. They are working to exceed the goal.

[Santana] Now, frankly speaking, why should the country care about these productions you are talking about?

[Davalos, interrupting] What do you mean, why should they care? I have just said that it represents 30 percent of our generated electricity. Furthermore, it is money that we do not have to spend abroad.

Approximately 24 percent of this production achieved on 13 November and of what will be achieved by 31 December is due to the introduction of modern methods in the extraction of oil. In other words, what we call the stimulation of oil deposits, because they are very modern techniques introduced in Cuba by two foreign companies—the (NorthWest Energy) from Canada and the (Geo-Petrol) from France. This technique is already dominated by the Cubans. We must attribute the 24 percent increase to these techniques. It is one of the most modern techniques in the world.

[Santana] Just months ago, we talked about oil production and there was a doubt about whether or not there was oil in Cuba. Do you remember?

[Davalos] Yes, but do you remember what I responded? I said I did not have a crystal ball and that I was not a clairvoyant. But life has demonstrated that there is oil in Cuba.

[Santana] Yes, there is.

[Davalos] And the Cuban oil workers and the foreign technicians are convinced that there is oil in Cuba but we need to find it. I do not want to jump to that subject

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because I want to talk a bit about what the three drilling and extracting enterprises are doing. I wanted to talk about the case in Ciego de Avila, which is where the best Cuban oil is produced. It is a light oil of magnificent quality that is being sent to a small refinery in the neighboring province of Sancti Spiritus, the famous refinery of Cabaijuan. That light-weight oil allows the country to produce basic oils that are raw material for the production of lubricants and grease.

These oil workers in Ciego de Avila, who are close to the Ciro Redondo mill, north of Ciego de Avila City, are setting a new record everyday. They have already exceeded the 100,000 tonnes when their goal was of 60,000. This year they should reach 125,000 tonnes of this crude, which is of good quality. Furthermore, we have received news from the Cabaijuan refinery that for the first time ever in Cuba they have produced oil for electric transformers and oil for refrigeration equipment. That is not all. I remember that they have a spectrum of about 10 very fine specialized oils made from that Cuban oil from Ciego de Avila. That is an achievement, but it does not cover all the needs. The country, more than likely, will have to import more. However, it is an optimistic achievement for our people.

[Santana] You were talking—and you gave many figures—about the progress of oil production. I have heard—I do not know if you have heard the same thing, I imagine you have—that this oil is not good for anything and that it has damaged our generating plants. Is this true?

[Davalos] Well, Let me say one thing. The oil that is extracted from the oil deposit that is said to be in Varadero, which by the way is not in Varadero, it is south of Varadero....[pauses] We are reaching 1 million tonnes of that oil. This year they will reach 940,000 tonnes, but it is what is called a heavy-weight oil, which contains a high level of sulfur.

That is our oil. For now we do not have any other. We cannot throw that oil away. With that oil we are producing electricity. Of course, we have a serious problem. Because it contains six-percent sulfur it generates acids that are very corrosive, and that creates higher maintenance costs at our generating plants. However, we are not using this oil at all our generating plants, but in a designated group of generating plants. One example is the small plant in Matanzas, the Rente in Santiago de Cuba.

We must be aware that we cannot throw that oil away. Like Marti said: Our wine is sour, but it is our wine. We must produce electricity with that oil and we must be organized and skilled enough to maintain the boilers and the equipment in good condition as well as we can and assume the costs that it entails because it requires protective paint, spare parts, etc.

The 1 million tonnes that oil workers in Varadero are close to reaching is valid and I can say that it is very honorable. I believe they will not reach the 1 million tonne mark this year. They will probably reach 940,000 tonnes and they are working as hard as they can. I believe they will reach this mark in 1995.

[Santana] Some time ago, I visited the oil deposits in Majagua in Ciego de Avila and Jatibonico in Sancti Spiritus and I remember that there were some disagreement regarding the salaries that the workers were receiving. Has there been any change?

[Davalos] That has been solved. Furthermore, today it is one of the great stimulators of production. How can you explain that in the area of Varadero, where the tourist industry is so strong, that there is not an exodus of workers from the oil industry to the tourist industry. The explanation is simply that the oil workers are receiving a good salary. They are being recognized.

In 1991 the central government of Cuba decided that it would double the pay for some positions. That is what has stopped an exodus from the oil industry to tourism. For your information, the sugar industry is having that problem. I do not know if I am talking about things that are a bit...

[Santana, interrupting] Wait a minute, this is a bit unclear. Are oil workers being paid in foreign currency?

[Davalos] No, they receive a series of stimulations, but the salary they receive, for some positions, is double. That is what has stopped the flow of workers to the tourism industry in Varadero.

How could they ever produce 1 million tonnes of oil if workers were leaving the industry? There are some who work covered with oil. They work far away from home. Sometimes they work in Cienaga and, nevertheless, nobody goes to the tourist industry. The situation with their food, clothing, and safety has improved. That is why together with these advanced techniques that have been implemented, we must recognize that the application of this wage system has encouraged the workers to work hard.

[Santana] Davalos, since we first talked about oil production, many Cubans center their hopes on this production. What is the outlook for this production? Do think we can some day supply ourselves with the oil we need?

[Davalos] Well, I do not know if we will be able to supply all our needs, but the country is making extraordinary efforts to increase oil production. It is making agreements with foreign corporations and we are already seeing the fruits. In April, for the first time in Cuba, an oil deposit was discovered by a foreign corporation in the sea. We are talking about the (Cupei 1-X) deposit inside the Bay of Cardenas. Studies are being made to evaluate the reserves. Another thing worth mentioning is that costs to develop that deposit would run anywhere between 200 and 400 million dollars. Six or seven years can go by before we can begin extracting oil, which means that this oil will not be ready until 1997. I

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mention this because sometimes, because of our needs, we would want the oil to become available right now.

The discovery of the (Cupei 1-X) was announced in April and some people want that deposit to solve the problem right now. Several things need to be set up and a pipeline must be built to capture the petroleum and the gas. An infrastructure of tanks must be built to transport the oil. As I said before, it would cost anywhere between 200 and 400 million dollars and it would take between six and seven years. It takes time; the work is tedious and rigorous. A whole infrastructure must be built.

That will be done by the company with whom we have established a contract at risk. They invest the capital. Later we must share the oil: Part of the oil is theirs and part of it is ours. We may purchase the oil from them; it depends on the agreement that was made. But it is good to know that we have discovered oil in Cardenas and that we continue drilling. A new oil well has been opened by the CNW [Canadian NorthWest Energy]. It was opened in the zone of (fomento). It is the (Cabaijuan 1-X). This oil well will be 3,500 meters deep. It opened on 29 October. It is still too soon to say but there are indications of its potential and that of others.

[Santana] Since you are talking about companies—the companies that are drilling and extracting in Cuba—I think it is good to remember one thing: How are these extractions done? How do these foreign companies operate in Cuba?

[Davalos] First of all, Cuba would not be able to develop its oil industry if it were not based on contracts at risk. Cuba does not have the financial resources to invest, let us say $200 million [words indistinct]. For two years now, the oil companies operating in Cuba have invested more than $150 million that the country did not have.

[Santana] Does this mean that Cuba is selling such an important natural resource to foreign companies?

[Davalos] No, not at all. We are making a pact. They are doing the research and investing the money. When the oil is discovered we split the costs evenly but they are advancing the capital. They are looking for oil. If they find it and it is marketable, then the game plan changes and we must split the costs evenly according to the pact between that company and the nation. However, they are making possible something that we would not have been able to do by ourselves because we are in the special period. We do not have resources. Sometimes we do not even have enough to buy powdered milk for our children. Nevertheless, we are developing oil exploration based on these eight large companies, that are helping us and investing the capital.

Farmer's Market Analysis Reveals Need for More Benefits

FL1512003994 Havana Radio Reloj Network in Spanish 2037 GMT 14 Dec 94

[FBIS Translated Text] The farmer's markets in Ciego de Avila have contributed over 1 million pesos in taxes to the state budget since their creation. This was announced following an analysis conducted by the local government. The analysis revealed that the average tax is 11.73 percent per peso, and that sales surpass 10 million pesos. The markets in Ciego de Avila and Moron Municipalities have sold 82 percent of the products sold in the province, while Bolivia, Majagua, Chambas, and Venezuela Municipalities have smaller sales levels.

The analysis conducted by the Ciego de Avila Government stresses the need to improve benefits for the farmers and entrepreneurs participating in the farmer's market by providing new services and by raising the inspectors' standards.

CTC Committee Analyzes Current Labor Issues

FL0812031594 Havana Radio Rebelde Network in Spanish 0000 GMT 8 Dec 94

[Report By Gisela Bel Heredia; from the "Exclusive" program]

[FBIS Translated Text] [Bel] Resolution No. 6 and other current issues were analyzed in a meeting of the Social and Labor Affairs Committee of the Cuban Workers Federation [CTC].

Collective labor accords can resolve issues that might appear contradictory or absent from laws, resolutions, and other judicial documents. This was explained by Pedro Ross Leal, member of the Politburo and secretary general of the CTC, during the committee meeting. Collective accords, he added, cover specific situations in each work center, which is the crux of their importance. The meeting will continue tomorrow in Havana with the comrades in charge of these spheres of the provincial CTC committees and with national level unions.

The meeting focused on changes and shifts in labor policies contained in Resolution No. 6. We spoke with Comrade Francisco Travieso, director of the labor legislation office of the Labor and Social Security Ministry, about this resolution that became effective on 1 September.

[Begin recording] [Travieso] Resolution No. 6 replaced Resolution No. 4 on labor and salary procedures for surplus or available workers. Resolution No. 6 specifically covers available workers, those who become available after adjustment of various job slots at work centers. The main goal of Resolution No. 6 is to establish labor and salary procedures for workers declared available.

[Bel] What protection does this resolution extend to our workers?

[Travieso] Well, those workers who cannot be relocated will receive 100 percent of their salary the first month, and 70 percent during the period that they have not been relocated. This is dependent on the number of years of service accrued.

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[Bel] Therein lies the main difference between Resolution No. 4 and Resolution No. 6.

[Travieso] One of the main differences is precisely that Resolution No. 4 did not differentiate among workers on the basis of years of service. Resolution No. 6 does this, thus resolving an egalitarian problem contained in Resolution No. 4. Resolution No. 6 gives preferential treatment to workers with over 20 years of service, over those with only one year, for example. [end recording]

[Bel] The union officials also discussed labor procedures for opening industrial and crafts markets, and the results of the implementation of measures to mend the national financial imbalance. Regarding industrial and crafts markets, it was explained that whenever an enterprise is disbanded, one must keep in mind the labor situation of its workers. It was also pointed out that if a unit begins to provide services as an industrial and crafts market, its labor force must be formed from the majority of the comrades already working in the unit.

Train, Bus Service Cannot Increase During Rest of 1994

FL0912153894 Havana Radio Progreso Network in Spanish 1200 GMT 9 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] The Ministry of Transportation has informed the population that, given Cuba's current situation, during the final days of 1994 it is totally impossible to increase the number of departures of the national train and bus services.

Finance Minister Reports Budget Deficit Reduction

PA1512034194 Havana PRENSA LATINA in Spanish 0802 GMT 14 Dec 94

[Article by Elsy Flor]

[FBIS Translated Text] Havana, 14 Dec (PL)—According to official sources, the Cuban budget deficit, estimated at 5.050 billion pesos (equivalent to the U.S. dollar at the official exchange rate) at midyear, will be reduced to less than 3.2 billion pesos by year's end.

PRENSA LATINA had access to a report by Finance and Prices Minister Jose Luis Rodriguez which states that government revenues increased 27.6 percent while government spending was reduced 13.3 percent and subsidies reduced 47.4 percent.

As a result of an increase in tariffs and taxes implemented in June, the government collected 1.852 billion pesos. The source says that the measures, which included an increase on selected products, yielded 1.926 billion pesos in revenues between June and October—primarily due to the tax increase on cigarettes and cigars.

According to the minister, the tax law approved by the Cuban legislature will be more important from a regulatory viewpoint than for the revenues generated by the law.

In the last 35 years, practically the only budget contributions made by Cuban citizens has been in the form of tax stamp purchases for legal documents and taxes paid for land transportation by automobile owners.

By October's end, the authorization of more than 100 types of self-employment led more than 162,000 people to register in those jobs, 80 percent of which keep their license payments current.

In September alone the state collected 52 million pesos in licensing fees for the self-employed, which, according to the minister, is expected to increase in 1995.

Regarding the decrease in the surplus of money in circulation, the minister said that the amount of money in the hands of the people decreased to 10.2 billion pesos as of 31 October from more than 12 billion pesos at the end of the first three months of 1994.

However, more than 6 billion pesos of that total are in savings accounts, which makes the surplus more manageable by financial authorities.

Regarding general economic growth, the minister said the industrial sector should grow 4.7 percent in 1995, although he warned that these statistics should not be described as an economic recovery, given the terrible results in 1993 and the drop in sugar production—the island's main export.

Roundup of Economic Developments

PA0512215894

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Cuba monitored through 14 December.

Cuba has signed economic cooperation agreements with Mexico, Colombia, and other area countries. A visit by former Mexican President Carlos Salinas de Gortari to Havana served as the framework for the signing of an agreement between the Cuban Telecommunications Enterprise and Inter-American Telecommunications Corporation, a private Mexican corporation, to update services with a $1.5 billion investment. The signing of the agreement was followed by the creation of other mixed enterprises with Mexican capital. (Havana Radio Havana Cuba in Spanish 0000 GMT 2 Dec 94)

Oil production in Matanzas Province represents 80 percent of the nation's total production. Work in this sector in December and in 1995 is estimated at 2 million pesos. The projects include a plant for treatment of ballast; five tanks to collect fuel going to the country's thermoelectric plants; the modernization of a terminal to process oil byproducts; and works at a dock to speed up

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unloading operations. (Havana Radio Havana Cuba in Spanish 0000 GMT 7 Dec 94)

According to a 12 December, Havana-datelined item, the Dutch hotel chain Golden Tulip International plans to build six new hotels in Cuba in the coming five years. (Havana PRENSA LATINA in Spanish 0031 GMT 13 Dec 94)

Revolutionary Armed Forces troops participating in the current tomato harvest in Pinar de! Rio Province have also planted and tended over 35 caballerias to date in Los Palacios Rice Agroindustrial Complex. The troops will soon be assigned another 13.3 caballerias. Of the 150 tomato caballerias to be planted this year by Los Palacios, 93.5 will be tended by soldiers. (Havana Radio Rebelde Network in Spanish 1000 GMT 5 Dec 94)

Economic efficiency and national finance recovery measures were discussed at the plenum of the provincial committee of the Cuban Workers Federation in Cienfuegos, where it was announced that for the first time in 10 years, the province attained a positive financial balance of 34 million pesos, and the budget deficit will be a little over 21 millions pesos, rather than the projected 55 million. (Havana Radio Rebelde Network in Spanish 1000 GMT 5 Dec 94)

Palmira jewelry factory and shop in Havana, owned by the geology union, has accrued approximately $50,000 in revenue from the sale of pieces made of semiprecious stones to tourist stores and hotels. (Havana Radio Rebelde 1100 GMT 3 Dec 94)

Pinar del Rio Province ended November with over 526 caballerias of tobacco planted, which greatly exceeds the number planted in November 1993. However, workers are strengthening efforts to achieve the goal of planting over 2,000 caballerias planted by 15 January 1995. (Havana Radio Reloj 2030 GMT 2 December)

Only six of the 21 sugarcane agroindustrial complexes in Matanzas Province reported planting on 2 December, thus delaying the 1994 winter planting campaign, which has the goal of planting 1,100 caballerias. Spring planting totalled 1,415 caballerias, 200 of which were lost due to excess or lack of water, and other problems. In addition, the amount of sales during the first day of operation of industrial and crafts markets in Matanzas totalled approximately 29,000 pesos, with the conservative participation of 14 enterprises and nine self-employed individuals, which is expected to increase. (Havana Radio Rebelde 1000 GMT 3 Dec 94)

Half of Las Tunas municipalities have participated in the 4th regular session of the 7th legislature of the ANPP where many economic issues were discussed, including housing, still a major problem in Las Tunas. Many of the 13,900 existing homes are condemned, and only 250 were built in 1994 of the 429 planned, which represents only 58 percent of the housing goal, due to material shortages. (Havana Radio Progreso 1200 GMT 5 Dec 94)

On 6 December, the Tomas Romay Hospital in Habana Vieja Municipality, Havana City Province, received a donation of equipment and medicines worth over $85,000 from the Grand Duchy of Luxembourg. (Havava Radio Progreso Network in Spanish 1200 GMT 7 Dec 94)

Cuban oil extraction workers reached their goal for the year on 7 December: 1.2 million tons of oil, a new record. The workers surpassed their 1993 record of 1.1. million tons three weeks ago. At the current rate of 30,000 barrels a day, the workers should have extracted 1.28 tons of oil by December 31. (Havana Radio Rebelde Network in Spanish 0000 GMT 8 Dec 94) Las Tunas Province has received a $60,000 donation from the Canadian Government assigned to the province's milk production sector. (Havana Radio Rebelde Network in Spanish 1000 GMT 8 Dec 94)

Ciego de Avila Province has sent almost 2 million quintales of produce—mostly plantain and potatoes—to Santiago de Cuba from 1993 to date. This is thanks to five work contingents from Santiago de Cuba, who have harvested approximately 400 caballerias. (Havana Radio Rebelde Network in Spanish 1000 GMT 8 Dec 94)

In the Escambray area, Cienfuegos Province, 37 percent of the coffee harvest has already been collected by a work force of over 3,500, consisting of students, Youth Labor Army members, Cuban Workers Federation members, and agricultural workers. (Havana Radio Progreso Network in Spanish 1200 GMT 9 Dec 94)

Guantanamo fishermen have surpassed last year's catch by 30 percent, reporting an annual catch of 630 tons. The fish are to be distributed to the population in Caimanera, San Antonio del Sur, Maisi, Baracoa municipalities, and to international tourism facilities. (Havana Radio Reloj Network in Spanish 2035 GMT 9 Dec 94)

At the end of November, Havana City's electrical power production had increased to 115 megawatt hours. (Havana Radio Rebelde Network in Spanish 1255 GMT 10 Dec 94)

A total of 165 associations with 38 countries benefit 26 branches of the national economy. In the mining and oil industries alone, approximately 40 economic associations have been established in which Canada plays an important role. In the last year, Sherritt of Canada has invested more than $200 million. (Havana Tele Rebelde and Cuba Vision Network in Spanish 0100 GMT 12 Dec 94)

In Havana City Province, approximately 2,000 houses will be constructed before the end of 1994. To date, 673 homes have already been distributed, 517 of which are low cost houses. (Havana Radio Rebelde Network in Spanish 1255 GMT 13 Dec 94)

In Holguin Province, workers from the Ministry of Construction have built over 2,300 low-cost houses this year. Sagua de Tanamo Municipality has been the area

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most benefited by this construction effort. (Havana Radio Rebelde Network in Spanish 1800 GMT 13 Dec 94)

Farmer's Markets in Matanzas average an income of 246,000 pesos daily since their opening on 1 October. Until 10 December, Matanzas reported sales of 17.5 million pesos. More than 21,000 sellers have participated in the markets, selling yucca, boniato, and rice, among other products. (Havana Radio Reloj Network in Spanish 2030 GMT 13 Dec 94)

In Holguin, tourism workers hope to donate at least 96,000 pesos for the purchase of medicine and other materials needed in the health care sector. So far this year, these workers have donated approximately 500,000 pesos for that purpose. (Havana Radio Rebelde Network in Spanish 1800 GMT 12 Dec 94)

The coffee harvest is about to conclude in Santiago de Cuba thanks to the dedicated effort of workers. Juan Carlos Robinson praised the fact that 88 percent of the harvest has been completed. Robinson noted that this year they had already exceeded last year's production level by 600,000 cans, the highest production in the last three years. More than 500,000 cans remain to be collected. (Havana Radio Rebelde Network in Spanish 1800 GMT 12 Dec 94)

Since the opening of the farmer's markets on 1 October, more than 304 million pesos have been sold, and approximately 30 million have been collected in taxes. A total of 700,000 quintales of vegetables, tubers, grains, and meats have been offered to the population. (Havana Radio Rebelde Network in Spanish 1800 GMT 10 Dec 94)

In Ciego de Avila Province, the provincial poultry farm has produced over 58 million eggs and 560 tons of chicken meat, exceeding its goal 30 days in advance. (Havana Radio Rebelde Network in Spanish 1255 GMT 14 Dec 94)

(Elilily Expo SA), a U.S. pharmaceutical company, has donated nearly $2 million worth of insulin and antibiotics to Cuba. (Havana Radio Progreso Network in Spanish 1200 GMT 14 Dec 94)

'Thousands' Cheer New Cardinal at Havana Cathedral

PA1312160694 Madrid EFE in Spanish 0135 GMT 12 Dec 94

[FBIS Translated Text] Havana, 11 Dec (EFE)—"Cuba has a cardinal," thousands of people cheered inside and outside of the Havana Cathedral, while offering a glorious reception to Havana Archbishop Jaime Ortega, who was recently included by Pope John Paul II in the College of Cardinals.

The 56-year-old Jaime Ortega is the first Cuban cardinal appointed by the church since the victory of the revolution led by Fidel Castro in 1959 and the second cardinal Cuba has ever had, after Cardinal Manuel Arteaga, who was vested in 1946 and died in 1963.

Ringing bells, Cuban and Vatican flags greeted the arrival of Ortega to the church, a baroque structure dating back to the 18th Century, which overlooks a plaza located in the heart of the historical center of the city.

The enthusiastic and cheerful crowd interrupted the homily a dozen times with big rounds of applause. In the homily, Jaime Ortega reiterated, with more fervor than ever, his message of hope and reconciliation and recalled the pope's wishes to visit the island.

"Let him come, let him come," chanted in unison those who were inside the church and those who, due to lack of space, were standing outside from where they followed the mass via the loudspeakers.

"The pope has remembered the people of Cuba. He has many times asked for help for Cuba and even has expressed his desire to come," Ortega stated. He later added that until now, that visit had not been possible.

Cuba is the only Latin American country that has not been visited by John Paul II, despite the fact that the Government of Cuba some years ago invited him to visit, but no date was ever established for such visit.

In another part of his homily, Ortega, who at all times proclaimed his "love for God and the fatherland," said: "It is not good for man to separate what God has united."

Under an increasingly louder ovation, he asked the Virgin of Charity of Cobre, Cuba's patron saint, "to free our people from so many hardships and afflictions," adding that "it is time to sow hope." He concluded the service with a "may God bless Cuba."

Afterward, Cardinal Ortega and practically all Cuban Church members—including bishops and seminarians—marched 150 meters in a procession from the cathedral to a nearby church building.

Ortega, who marched at the end of the procession, was guarded by half a dozen stocky young men to prevent people from jumping all over him.

Representing the Cuban Government at the ceremony were acting Foreign Minister Isabel Allende, Caridad Diego, head of the Office of Religious Affairs of the Communist Party, and protocol officials of the Foreign Relations Ministry.

Relations between the church and the Cuban state reached a point of extreme tension last year, following the disclosure of a pastoral letter in which the Catholic hierarchy stated the need to hold an internal dialogue and reconciliation.

In the document, the bishops openly criticized "the excluding and omnipresent character of the official ideology, the limitations imposed on freedom, the excessive control of the state security organs, and the high number of prisoners."

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The Cuban Church has grown in recent years together with the hardships of most of the population, but a good part of the Cubans practiced religious syncretism, where Catholic rites and traditions are mixed with those of African religions brought here by slaves.

Cardinal Ortega himself, in a recent interview with EFE, remarked that, for instance, since 1980 the number of baptisms per year has increased from 7,000 to 35,000.

Bahamas

Summit Documents Introduced to Parliament

FL1412213294 Nassau Bahamas Radio Network in English 1800 GMT 14 Dec 94

[FBIS Transcribed Text] Montagu Member of Parliament the Honorable William Allen was officially welcomed to the halls of parliament this morning. Following the brief ceremony, Prime Minister the Right Honorable Hubert Ingraham tabled copies of the declaration of principles agreed upon by leaders attending the recent Summit of the Americas. We get the story from Michelle Fox:

[Begin recording] The prime minister was among 34 democratically elected leaders attending the Summit of the Americas in Miami. The summit ended on Sunday. It was during that time that the leaders signed the declaration of principles and the plan of action.

Today Prime Minister the Right Honorable Hubert Ingraham tabled copies of the agreement. He said the Bahamas joined other countries in a commitment to combat the production, traffic, and consumption of illicit drugs. The prime minister said the agreement also acts against money laundering and international terrorism. He [word indistinct] that during this session parliament will be asked to adopt new legislation against money laundering of the criminal proceeds of illegal activity. He added that the Bahamas is in good standing in the international community, and that it will do its part in the fight against the laundering of illegal profits of crime. We are not anybody's laundry he said, and we do not want anybody's dirty money in the Bahamas. The Bahamas is united with the other 33 countries in these anticorruption initiatives, he said. The prime minister said these are efforts which will serve to strengthen and enhance the country's reputation as a responsible, clean, and reputable financial [word indistinct] center and tourism destination.

From the House of Assembly for ZNS News, I'm Michelle Fox. [end recording]

Haiti

Aristide Reduces Army to 1,500; Warns Constant

FL1412210994 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Dec 94

[FBIS Translated Text] President Jean-Bertrand Aristide publicly wept during a funeral ceremony on 13 December at the Port-au-Prince Cathedral for one of his partisans, who died last week as the result of mistreatment by the military following the 1991 coup d'etat. Marcellus Denis, 54, born in Port-Salut, where the Haitian president was born, was recently transported by helicopter to a hospital in Port-au-Prince by order of Aristide during the latter's recent official visit to the south of the country. The biographical note distributed at the funeral says that Denis died on 6 December following torture and other serious mistreatment.

President Aristide, assuring victims and witnesses of the government's support and asking them not to be afraid, made an appeal in Creole: Help us lodge complaints with the Justice Department against those who have committed atrocities. We must confiscate their weapons. This is why I have personally ordered that the Haitian Army be reduced to 1,500 men. He called for patience among the families of victims, explaining that the Haitian justice machine is slow.

[Begin Aristide recording, in Creole] I have ordered the Haitian Army to be reduced to 1,500 men. [words indistinct] The police are there to help the Justice Department arrest those who have committed crimes. We say this, and we mean what we say. Even if we have not yet had the [word indistinct] police force, we have assumed our responsibility to [words indistinct] the Haitian Government without hatred or vengeance so we can manage to have [words indistinct] the international community a police force that has control, can establish order, and will prevent criminals from moving around with impunity. [end recording]

He also warned the suspects to either comply with the Justice Department's summonses or be arrested, an implicit allusion to Emmanuel Constant, secretary general of the neo-Duvalierist party, Revolutionary Front for the Promotion and Progress of Haiti, who failed to appear at the last two hearings convened by the Haitian Justice Department.

Aristide finally asked the well-to-do classes not to be afraid of him. I am with you, he asserted.

Decree Sets 14 Dec as Electoral Council Deadline

FL1412231794 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Dec 94

[FBIS Translated Text] Once the presidential decree creating the Provisional Electoral Council [CEP] is published, a deadline of 14 December will be issued to the executive, legislative, and judicial powers for each if these branches to appoint three members to the CEP, excluding any and all members of these three powers, says a communique of the Ministry of Information published on 13 December.

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Leader 'Surprised' Party Plan Not Included in Decree

FL1412235194 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Dec 94

[FBIS Translated Text] Nationalistic Progressive Revolutionary Party of Haiti leader Serge Gilles says he is surprised that the presidential decree does not include the proposal made by the majority of representatives of the political parties present at the National Palace during their two meetings with President Aristide. The proposal provides, among other things, for the choice by the political parties of 25 credible candidates to be submitted to the three constituent branches of state. The executive, legislative, and judicial branches will in turn select nine new members of the Provisional Electoral Council from that list. Gilles explains that this list, which was supported by almost all of the Haitian political class, was submitted to the three powers of state on 12 December.

Party Leader Demands Transparency in Appointments

FL1412213394 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Dec 94

[FBIS Translated Excerpt] [passage omitted] Reynold Georges, secretary general of the Alliance for the Liberation and Progress of Haiti [ALAH], speaking on Signal FM on 13 December, demanded more transparency in the process of choosing the nine members of the electoral council. If there is no transparency in this process, he said, the political parties will feel that their interests have been compromised. [passage omitted]

Artibonite Protest Threatens Delegate's Office

FL1412161594 Port-au-Prince Signal FM Radio in French 1130 GMT 13 Dec 94

[FBIS Translated Text] Disagreement with the Michel government is reported in approximately 20 people's organizations of 15 Artibonite communes. Those people's organizations demand the dismissal of the new delegate and vice-delegate—Geralda Elysee and Alphonse Bedouet—who are allegedly not Aristide's partisans. The 23 people's organizations of Artibonite that signed this press release dated 11 December threaten to turn the premises of the delegate's office in Artibonite upside down if between now and the end of the week these state servants are not fired. The people's organizations also plan to stage a large demonstration to protest the participation of Delegate Geralda Elysee and Vice Delegate Alphonse Bedouet.

Former Jamaican Prime Minister To Visit; No Date Announced

FL1412155094 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Dec 94

[FBIS Translated Text] It is rumored that former Jamaican Prime Minister Michael Manley will take advantage of an upcoming visit to Haiti to get information regarding the country's political situation in regard to the activities of the Carter Center, of which he is a member. The former Jamaican prime minister will also get information on the organization of the future elections in Haiti, according to a reliable source contacted by Signal FM. According to the same source, Michael Manley will also converse with several sectors of national life concerned by those elections. However, the date for his arrival in Haiti has not yet been specified.

Trinidad and Tobago

Post-Summit Editorial Criticizes Caricom Inaction

FL1412151594 Bridgetown CANA in English 1338 GMT 14 Dec 94

[FBIS Transcribed Text] Port of Spain, Trinidad, Dec. 14, CANA—Following is the text of the editorial in Wednesday's TRINIDAD GUARDIAN newspaper:

The Jamaican Prime Minister P.J. Patterson, emerging from the Miami summit which came to conclusions of no immediate consequence to the Commonwealth Caribbean ventured the comment that Caricom needs to get its house in order.

Shridath Ramphal's West Indian commission told the regional heads of government exactly this with great force and clarity in its report two years ago.

Indeed more than a year before the report was published the commission called on Caricom leaders in an interim progress document to take immediate action in six important areas of regional activity.

The recommendations amounted to a plea for an early closing of ranks on such issues as hassle free travel for Caricom citizens within the region, free movement of skills, especially of UWI graduates and accredited media personnel steps toward a common currency, a single market and so on.

The heads of government agreed and proceeded to twiddle their thumbs to depart on excursions which they hoped would lead to the creation of an association of Caribbean states, to import British Airways to compete with their own LIAT and with BWIA and to behave generally like a gaggle of loose cannons on the regional quarterdeck. Jamaica and Trinidad and Tobago talked about political union with Guyana and Barbados and the OECS fiddled with their own prescription for creation of a unitary state.

Now the leaders in the wake of Miami have come down to earth with a bump. Now says Patterson it is clear Caricom must move expeditiously toward the establishment of a single market economy. At the same time our finance minister Wendell Mottley is reduced to hope that Chile's accession to NAFTA does not mean this country's application for membership has not been frozen. For the time being perhaps, foreign minister Ralph

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Maraj is silent on the ACS [expansion not given] and the establishment of its headquarters in Trinidad and Tobago, the only country to ratify the convention after all this time.

The chances are however that he should have nothing new to say now that the Free Trade Area of the Americas (FTAA) is in the making with the deadline the year 2005 in the minds of its creators.

The Miami summit should bring home finally to the hapless regional leaders that there is no future outside of an integrated and functioning Caribbean Community. Indeed the heads of government know this. The present lot and their predecessors have said it at every opening session of every Caricom conference. They were saying it even before the West Indies Federation was created in 1958 and continued saying it at every attempt to promote regionalism since its collapse in 1962.

But the will to act has been buried under a mountain of words and today on the question of NAFTA membership Mottley wonders if "we will simply have to fold our tents and go home."

There is no need for the Caricom leaders to go back to the drawing board to draft a new regional plan of action. The blueprint is all there in the Ramphal report and numerous other documents all on the theme of unity. But even beyond the imperatives of integration the question of Caricom joining NAFTA will depend on the extent to which the smaller territories with their fragile economies can catch up with TT and Jamaica in meeting the criteria for membership. The disparity was the basic reason why TT, firmly on the road to liberalisation and privatisation was advised to seek membership ahead of its Caricom partners.

If we are now to wait on the others, where does that leave us?

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Zedillo Makes Peace Proposal for Chiapas

PA1512055894 Mexico City Radio and Television Networks in Spanish 0455 GMT 15 Dec 94

[Address by President Ernesto Zedillo from Los Pinos presidential residence in Mexico City—live]

[FBIS Translated Text] A very good evening to you. Mexico must be, needs to be a united nation. Throughout this year, events in Chiapas have worried and divided the Mexican people. All of us acknowledge the conditions of age-old and profound injustices, poverty, and abandonment that have prevailed in Chiapas and which have fostered violence. We all acknowledge the urgency of dealing with the causes of the violence, from their very roots, to have development with well-being, equality, and justice. We all acknowledge the importance of seeking, through every means possible, ways to achieve a definitive agreement based on dialogue, harmony, negotiation, and respect.

On 1 January 1994, violence broke out in certain Chiapas towns. On 10 January, a government representative was appointed to seek peace. On 12 January, the Federal Government unilaterally declared a cease-fire. On 16 January, the Federal Government promoted an amnesty law in Congress to benefit those who had taken up arms. The amnesty law was approved by all political parties represented in the Chamber of Deputies, and it was promulgated on 27 January.

On 19 January, the Federal Government allowed the establishment of buffer zones, which is why the war zone has been without federal, state, or municipal authorities, and without any authorities to enforce the law. Furthermore, from the beginning of the conflict, basic services such as education for children and young people have been seriously affected.

Beginning 20 February, there were 10 days of direct talks between the Federal Government representative and the EZLN [Zapatist Army of National Liberation]. During the course of the talks, the Federal Government representatives received and responded positively to a great majority of the 32 points presented by the EZLN. The EZLN agreed to convey the Federal Government's response to its rank and file. Even before this response, the Federal Government began to implement the points in the response that dealt with social backwardness in the areas of the state to which there was free access.

On 11 June, the EZLN announced that its rank and file had rejected the peace agreements proposed by the Federal Government. On 16 June, the Federal Government's representative resigned, and within seven days a new representative was appointed. He was given specific instructions to reopen the dialogue. The new government representative attempted on 12 different occasions to establish contact with the EZLN to directly resume the negotiations. The EZLN, as is well known, never agreed to dialogue with the Federal Government's new representative.

As the EZLN has reported, I tried to establish a direct dialogue with them before assuming the presidency. I was able to have delivered to them six written documents. On one occasion they received my personal envoy. These efforts aimed at initiating a dialogue were fruitless.

As presidential candidate, as the winning candidate, as president-elect, and from the very day I was constitutionally sworn in as president, I have said that dialogue and reconciliation are essential to secure the peace and harmony that all Mexico demands.

Dialogue and negotiations are the only road to agreements that will fully satisfy those who have just claims and grievances and who at the same time respect the rights of those who obey the law.

Unfortunately, a few days ago the EZLN announced its intention to take violent action. The Chiapas conflict has kept the Mexican people in a restless state. It has meant the suspension of constitutional conditions for exercising national sovereignty in a considerable portion of Chiapas State, which is close to an international border. The conflict has divided Mexicans and represents a continuous threat to public calm, peace, and justice.

In Chiapas State, the conflict has also meant an acute deterioration of the population's economic and social conditions, especially that of the neediest groups.

Now, almost 12 months after violence erupted, the government feels it is its duty to search for a change in the situation that would lead to peace, holding negotiations, and establishing the conditions for development with social justice. I now stress that a dialogue is the only course for finding a lasting solution and a peace worthy of us all. It is a dialogue that would give privilege to justice and would respect the Constitution; it is a dialogue that would quickly and effectively attend to the legitimate causes of discontent; it is a dialogue without prejudices that encompasses all issues of interest to all parties. Today I am making a new appeal for dialogue and propose a specific mechanism to initiate it as soon as possible. I propose the creation of a commission for dialogue and mediation for peace; a commission that would be formed by members of the honorable Congress, which would mediate between the Federal Government and the EZLN. I propose that each of the political parties represented in Congress appoint one legislator from each chamber to the commission. Thus the commission would consist of seven members: two from the National Action party, two from the Party of the Democratic Revolution, two from the Institutional Revolutionary party, and one from the Labor Party.

The integration of the commission would reflect the political plurality of the national representation while also reflecting the consensus on peace with the dignity and justice that exists among all political forces and parties. The pluralistic integration of the commission will also guarantee its independence from the executive

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branch and the genuine neutrality that is inherent and indispensable to all mediation processes.

I propose that this commission immediately contact the EZLN, hold a dialogue, listen to the causes of discontent, and take the necessary steps to become an active and true institution of mediation. In addition, I believe that the commission will be able to collect facts from all the parties involved in the conflict and formulate an opinion. Moreover, the commission would gather detailed information on the current socioeconomic and political situation in Chiapas.

As far as the conflict in Chiapas is concerned, as is the case with any other event that may divide and threaten Mexicans, we will not stop until we reach a just, worthy, and definitive peace which also respects the law. I now categorically stress that I am convinced we can reach a new negotiation process that will lead us to this worthy, just, and definitive peace. I also stress today that Chiapas must not have violence; nobody wants it. Neither the federal government, the political parties, the social organizations, nor the public wants it. I am sure the EZLN does not want violence, either. The Mexican Army will maintain the unilateral cease-fire. I now emphasize that peace must be the path to follow; and to achieve peace, the paths leading to the dialogue remain open. We have not closed these paths to anyone. I repeat: The paths will remain open and will always remain open, in Chiapas or in any other conflict.

All of us who want a fatherland of peace, a nation of equality, and a Mexico of justice are in favor of this dialogue. We will embark on it, thinking about the just and generous Mexico that our children deserve. Have a very good night.

Buffer Zones in Chiapas No Longer in Effect; EZLN Advances

PA1412193594 Mexico City LA JORNADA in Spanish 13 Dec 94 p 1

[Report by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] San Cristobal de las Casas, 12 Dec—Ten months after they were set up in the San Miguel and Guadalupe Tepeyec ejidos—located in the zone of the conflict—the buffer zones disappeared on 8 December in the wake of the notification by the Zapatist Army of National Liberation (EZLN) to the International Committee of the Red Cross (ICRC) that the truce was broken because of the swearing in of Eduardo Robledo as Chiapas governor.

Since the truce declared on 12 January and ratified on 10 June was broken, the two sides may move about in the areas declared "buffer zones" in the aforementioned ejidos, which are located in the municipalities of Ocosingo and Las Margaritas.

It is within this context that the rebel forces have advanced several kilometers in the past two days toward the area near the capital cities of Ocosingo and Las Margaritas, where the federal army is maintaining its roadblocks.

The ICRC confirmed on 9 December that it withdrew from the former buffer zones the equipment and medical personnel it had posted there since early this year to care for the civilian population of the conflict zone after the EZLN notified it that it would break its pledge of maintaining the cease-fire if Eduardo Robledo took office as governor.

The government and the Zapatists agreed on the establishment of these two buffer zones, and they went into effect on 2 February. Since that date, ICRC personnel have arrived in Guadalupe Tepeyec and San Miguel to verify compliance with the agreement and that none of the forces would advance their positions, as mandated by international law.

For over 10 months, the soldiers of the two armies maintained their positions, but the moment one of the sides—the EZLN in this case—decided to break the truce "the buffer zones automatically disappeared."

With their communication to the humanitarian organization, the rebels complied with a "diplomatic requirement based on the Geneva conventions."

According to reports by local peasants, two days ago, the EZLN moved up the roadblock it had set up in the former buffer zone of San Miguel. Now, soldiers and not civilians, as in the past, are in the Nuevo Patate ejido, 4 or 5 kilometers beyond their original position and some 40 kms from the positions of the federal soldiers.

In the case of Nuevo Momon, the roadblock that until two days ago was manned by civilians is now guarded by armed Zapatists wearing ski masks to block the path toward the zone under their control. The distance between soldiers from the two bands is approximately 40 kilometers.

Here, the Zapatists have advanced a large stretch since there are approximately 30 kilometers from Guadalupe Tepeyec to Nuevo Momon.

According to military sources, the Mexican army soldiers are confined to barracks or on alert. There have been constant helicopter and airplane reconnaissance flights in the past two days in Los Altos and Selva de Chiapas.

In some instances, soldiers have changed positions, reinforced their trenches and military equipment, and set up two new roadblocks, one in San Felipe at the city's entrance and the other in La Ventana—some 8 kms from San Cristobal—where the highways coming from the municipalities of Zinacantan and San Juan Chamula merge.

As for their functions, the ICRC does not need buffer zones to act, which is why it is making efforts to provide medical attention to civilians who need it, as agreed by the two sides in conflict.

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EZLN Warns Resumption of War 'Imminent'

PA1412174694 Mexico City LA JORNADA in Spanish 13 Dec 94 p 3

[Report by Elio Henriquez and Jose Gil Olmos; passages within italics as published]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 12 December—"The resumption of the war is imminent," the Zapatist National Liberation Army (EZLN) warned on 12 December in a "letter of letters" addressed "to whom it may concern."

The EZLN reported on "the advance preparations of our units" in the 14-page document signed by *Subcommander Marcos*, which fails to give any details.

"We know what we are getting into. We are aware of what is awaiting us. It is worth it," the rebel group maintained, adding that "we are issuing a warning about what we are going to do so that you will be able to take precautions, to get ready, to not get caught with your pants down. This position is disadvantageous to us, but compared to the technological disadvantage, we can afford to ignore the disadvantage of losing the surprise edge."

In the "letter of letters," with which the leader "responds" to all the letters he could not previously respond to, the EZLN defined the situation Chiapas is currently experiencing: "the flames are now reaching good heights, and the colors are changing, sometimes to an iridescent blue that cannot stop surprising this night of crickets, the distant lights that are getting closer, and the cold December of prophesies and unsettled affairs."

He included a postscript "for writers, analysts, and people in general." The rebel leader recriminated the fact that they "spared our basic essence: the national struggle." He also said that now "these pens are against our determination."

I tell "the good people to continue to be good people, to keep on believing, not to let skepticism get them tied to the sweet prison of conformism, to continue to search, and to keep on finding something in which to believe in and for which to fight."

Marcos also referred to the "brilliant enemies: pens that have not resigned themselves to pejoratives terms or to easy words; pens that have sought strong, firm, and coherent arguments to attack us, disqualify us, and isolate us."

"I have read excellent books that take prestige away from the Zapatists, defend a regime that must pay dearly, and pretend someone loves it. It is a shame that they ended up defending a childish and vain cause; it is a shame that they will end up sinking together with this structure that is cracking...," he underscored.

Chiapas Tense After EZLN Threats of War

PA1412180094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 14 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Text] Chiapas is living moments of uncertainty and tension after Subcommander Marcos and the Zapatist Army of National Liberation [EZLN] issued threats of war in the past few days. Amid the fear created by those statements, there are other voices in favor of peace.

In a 14-column communique from the insurgent leader, Marcos said that war in Chiapas is imminent. Between the lines, he warned that preparations have begun to deploy his troops in this cold winter of prophesies and accounts to settle. In the characteristic language of the man of the pipe, communiques, and postscripts, he affirmed that his troops are ready to come out. Meanwhile, the military checkpoints, which were reinforced some days ago, have intensified their tasks. The EZLN has stated that it has evacuated children from its communities.

For its part, the National Mediation Commission, CONAI, which has been in permanent session since 8 December, has warned about the danger of war in Chiapas, a war that would delay justice and democracy in the state and all Mexico. In a new call for dialogue on a national agenda to build bridges for understanding, it said this is the time for all parties to show firm and real political resolve to open the path to dialogue. The truth is that nearly a year after the conflict began, there does not seem to be a concrete proposal for peace, not even a rapprochement among the parties. The solution of the problem is even more distant than a few months ago, and the people, who at times seem to be calm, view with concern the approach of January 1995.

Proclamation Installs Chiapas Government of 'Transition'

PA1412220794 Mexico City LA JORNADA in Spanish 11 Dec 94 p 22

[Proclamation of the "installation of the Free and Sovereign Government of Transition of Chiapas," signed by "Governor" Amado Avendano Figueroa in San Cristobal de las Casas on 9 December—published as a paid advertisement]

[FBIS Translated Text] The Democratic State Assembly of the People of Chiapas, as the legitimate representatives of the people organized for the struggle for liberty, justice, and peace:

WHEREAS

1. Chiapas has a vast natural and cultural richness, but its inhabitants have historically been denied the right to be peoples and to use and take advantage of their resources.

2. For 502 years, the people of Chiapas have suffered foreign dominance and control, first from the Europeans and later from the center of the nation, expressed in the

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last few years by the PRI's [Institutional Party of the Revolution] caciquism through the imposition of leaders.

3. Ever since the European invasion an Indian, peasant, and people's movement has formed that struggles for freedom, democracy, and justice. This is a movement that is now expressed in the diverse regions of the state and is agglutinated in this Democratic State Assembly of the People of Chiapas.

4. On 1 January of this year, the Zapatist National Liberation Army announced a new era and called on the people to decide their own historical destiny.

5. On 21 August, Amado Avendano Figueroa was elected by the popular will as the legitimate governor of the free and sovereign state of Chiapas.

Given the above, the Democratic State Assembly of the People of Chiapas

PROCLAIMS

1. That as of 1230 on 8 December 1994 the legitimate GOVERNMENT OF DEMOCRATIC TRANSITION OF THE STATE OF CHIAPAS is hereby installed, complying with the people's mandate expressed on 21 August of this same year.

2. That Amado Avendano Figueroa leads this government, that is for all Chiapas inhabitants and that he has decreed as his temporary headquarters the installations of the Indian National Institute installations in the city of San Cristobal de las Casas. Therefore, Eduardo Robledo Rincon is not acknowledged as the governor of Chiapas.

3. That the Government of Democratic Transition's decisionmaking bodies will be made up of all the forces of the people's movement for democracy in Chiapas.

4. That this government's character, by the people's decision, will be: DEMOCRATIC: because the people will have participate directly in all decisions affecting them.

OF THE PEOPLE: because this gives priority to defending the interests of the majority.

ANTI-PATRIARCHAL: because it will struggle against all authoritarian, vertical, and discriminatory attitudes of the current social economic system.

MULTI-ETHNIC: because all the peoples of the state will participate, Indian and non-Indian.

5. That the main tasks the people of Chiapas entrust to the Government of Democratic Transition shall be:

a) Decree the revision and redistribution of agrarian property.

b) Recover the state's natural wealth, and the benefits that it generates, for the overall development of the Chiapas people.

c) Foster within the federation full respect of the State of Chiapas' sovereignty and the autonomy of its municipalities, as well as the constitutional recognition of multiethnic regions and their forms of government.

d) Place in the hands of civil society electoral power and install the state's constituent congress that will draw up a new Constitution and its ruling norms.

e) Call, according to the new constitution, general elections to elect state and municipal authorities representing the people who will rule the State of Chiapas.

This proclamation is issued in San Cristobal de las Casas, headquarters of the Government of Transition, on 9 December 1994.

Attesting to its validity by representatives of the Democratic State Assembly of the People of Chiapas and by Amado Avendano Figueroa, proclaimed governor of the State of Chiapas.

[signed] Amado Avendano Figueroa, governor

Francisco Jimenez Pablo, Wilmar Joachin, Gabriel Ramirez Cuevas, Abelardo Palma, Lorenzo Vazquez Vazques, Marcelino Gomez Nunez, Diana Damian, Dominga Mendez Gomez, Juana Hernandez Sanchez, Marcedes Olivera, Monica Pacheco Luna, Carlota Bertoni, Carlos Bertoni, Gabriel Gutierrez Avila, Jorge Moscoso Pedrero, Gustavo Zarate, Guadalupe Moreno, Victor Manuel Perez, Aidee Rojas, Rubicel Ruiz Gamboa, Angei Hidalgo, Hugo Trujillo Friez, Manuel Hidalgo, Maria Myers, Arturo Luna Lujano.

Monica Pacheco, responsible for publication

CEOIC To Obey Only Avendano's 'Transition Government'

PA1412122494 Mexico City UNOMASUNO in Spanish 12 Dec 94 p 6

[Report by Betzy Villarreal Rodas]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 11 Dec—The State Council of Indian and Peasant Organizations (CEOIC) has stated it will obey only the "transition government" of Amado Avendano Figueroa and has once more announced, as they did on 12 October 1994, it will not pay taxes on basic services to the government of Eduardo Robledo.

In addition, the 36 municipalities controlled by Avendano's "transition government" will not pay the credits granted by the federal, state, and municipal institutions or by private organizations to the ejidos, communities, and social organizations.

Meanwhile, the government of Eduardo Robledo Rincon and the government of the Indian peoples led by Avendano—this latter government is called "the government of the poor people"—have announced their regions and municipalities are autonomous to make their own decisions and to respect one another.

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The two governments split the Chiapas territory. Of the 110 municipalities, Avendano controls one-third of them, and his office is located in San Cristobal de las Casas. Robledo's office is located in this capital.

The CEOIC members have decided the orders or regulations of any state or federal representative of the party-state will not be taken into account, because they represent different ideologies.

In addition, they will not be able to conduct proselytizing campaigns in their regions, where only Mexicans belonging to any Indian or mestizo group and the representatives and officials of the Avendano government will be able to move around freely.

Meanwhile, Francisco Zepeda Bermudez, local deputy for the PRI [Institutional Revolutionary Party], has maintained that freedom to move forward was granted to these regions and their rebel government, but they will hardly be able to do so, because they do not generate even 1 percent of the taxes collected in Chiapas. According to the local delegation of the Finance Secretariat, Chiapas taxes will amount to 4.333 billion new pesos this year.

Chiapas State is politically divided into 111 municipalities, but due to the 1982 eruption of the Chichonal volcano, the residents of Francisco Leon municipality fled to neighboring municipalities. The 111 municipalities are comprised of 16,422 communities, 12,203 of which, almost 75 percent, have less than 100 inhabitants due to their geographic location.

For economic planning purposes, the state is divided into nine [as published] regions: Central, Soconusco, Border, Frailesca, Costo Isthmus, Northern, Jungle, and the Highlands. The latter three regions are controlled by the government of Amado Avendano.

Business Leader Concerned About Possible Conflict

PA1412205194 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 14 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Text] The private sector is nervous. Businessmen have warned about the devastating effects of the reinitiation of hostilities in Chiapas. Here is a report from Gerardo Segura:

[Segura] There must be no hesitation in Chiapas. Action must be based on justice and dialogue. Through Antonio Sanchez Diaz de Rivera, president of COPARMEX [Mexican Employers Confederation], the Mexican business sector warned about the disastrous effects military conflicts in the country's south would have for development, investments, and growth.

[Begin Sanchez Diaz de Rivera recording] (?The intelligent thing) is to hold political negotiations in favor of the Indians. I think it is important that we not forget that we must improve the lot of the Indians and eradicate poverty in Chiapas and other areas of our country. This will not be achieved without peace. The only way to achieve this is through peace. If there is peace, there will be confidence and political stability and if there is confidence and political stability, there will be investments. [end recording]

Sanchez Diaz de Rivera agreed that there should not be a single mediator for peace in that region.

[Begin Sanchez Diaz de Rivera recording] The mediation should essentially be between the Chiapas Government and those who are dissatisfied. That should be the essential mediation. In addition, this is an issue that has obviously affected Mexico in general. [end recording]

At the conclusion of the year, the COPARMEX president spoke on the country's economic situation. Antonio Sanchez Diaz de Rivera said businessmen are analyzing the fiscal reforms proposed by the president. He also said the programmed social expenditures are positive. Mexico is already in the major leagues because it has joined important international organizations, so it is urgent that the national economy be reactivated.

[Begin Sanchez Diaz de Rivera recording] There are many differences by region, businesses, and sectors. That is why we think one of the priority factors for the next few days, for next year, and the following years is economic growth. [end recording]

PRD Proposes 'Negotiating Table;' Government Responds

PA1412223294 Mexico City XEW Television Network in Spanish 0430 GMT 14 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] Speaking today in the state of Merida, Porfirio Munoz Ledo, national president of the Party of the Democratic Revolution [PRD], discussed his party's proposal for solving the conflict in Chiapas.

[Begin Munoz Ledo recording] The government has to begin a meaningful process of negotiation as soon as possible in order to prevent the resumption of hostilities. I believe there will be no truce this time. Any conflict would be very serious and could polarize the nation's conscience. [end recording]

He noted that the intentions of the party over which he presides were laid out last Sunday at the conclusion of the eighth full session of the PRD's National Council. On that occasion, a declaration entitled "For Peace and a Transition to Democracy" was released. The subtitle reads: "We Demand That the President Immediately Install a Negotiating Table." Some newspapers published the press release containing the proclamation.

Today the president responded directly to the proposal to set up a negotiating table. This evening the Government Secretariat issued a bulletin that reads:

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On orders from the President Ernesto Zedillo Ponce de Leon, the Government Secretariat will immediately establish communications with the PRD for the purpose of carefully learning and knowing in detail the proposal to set up a negotiating table, which that party divulged today in a press release. We will analyze its creation, agenda, and work style. The Government Secretariat is well-disposed toward specific solutions from national political organizations on commitment to dialogue and agreements that the government has espoused since the first day of this administration. This proposal reinforces the conviction that Mexico's political life must be nourished by the participation of all political organizations and the people in general.

Cardenas Urges Government Actions To Avert Violence in Chiapas

PA1412201394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 14 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Text] Cuauhtemoc Cardenas, former presidential candidate of the PRD [Party of the Democratic Revolution], yesterday visited the Lacandona jungle to talk with Subcommander Marcos. He said there that in order to prevent the reinitiation of hostilities, the government must take steps to avert the danger of violence in Chiapas. Nevertheless, Cardenas also said last night that in his meeting with Marcos, he did not find any proposal from the Zapatists to sit down to directly negotiate with the government.

Cardenas demanded government willingness to negotiate peace in Chiapas. In an (?unexpected) visit to the state, the former presidential candidate sought to meet with Subcommander Marcos to contribute to a peaceful solution of the conflict and to prevent, at all costs, more bloodshed. But he warned that an essential element must be the opening of democratic channels to solve the political problems in Chiapas and to deal with the problems of land tenure and poverty. Cardenas said the local authorities have been excessive in their demands for greater security and he reiterated his support for Amado Avendano.

[Begin recording] [Cardenas] The government to date has shown no willingness to find a political solution to the diverse conflicts that exist here in the state. Among others, these include the conflict created when it insisted on imposing Eduardo Robledo as governor.

[Unidentified reporter] What do you suggest should be done?

[Cardenas] Problems should be solved. The many varied problems here in the state should be solved. This obviously includes solving the political problem, opening the channels for a democratic renewal of the local state government, dealing with the land tenure and Indian communities' problems, and trying to find a solution to the situation of poverty of many communities throughout the state. [end recording]

Federal District Envoys Demand Direct Elections

PA1412154594 Mexico City Radio ACIR Network in Spanish 0000 GMT 14 Dec 94

[Report by Victor Mejia from the "Evening News Panorama" newscast]

[FBIS Translated Text] Before President Ernesto Zedillo spoke today at a meeting of the Federal District Assembly of Representatives, representatives of all political parties demanded that the president allow a democratic process in the Federal District, free of deceptions. They demanded direct elections for governor and other district authorities.

During the long meeting with the president, Gonzalo Altamirano, Natonal Action Party representative, said that it is time for residents of the Federal District to decide once and for all who their rulers will be. Until now, he said, these officials have been appointed by the president. Dolores Padierna, Party of the Democratic Revolution representative, asked President Ernesto Zedillo for urgent solutions to bring absolute peace to Chiapas and social justice for the Indian population of that state.

Manuel Jimenez Guzman, Institutional Revolutionary Party coordinator and president of the Assembly of Representatives, warned that the law must prevail without privileges or discrimination.

[Begin Jimenez recording] We have the state of law to use in facing our problems, the law as the highest authority for social coexistence. No one is above the law. Nothing is above the Constitution. [end recording]

After the session, the president shook the hand of each and every representative.

Article Examines Goals of Zedillo Economic Plans

PA1412175594 Mexico City EL FINANCIERO in Spanish 10 Dec 94 p 5

[Article by Jesus Sanchez]

[FBIS Translated Text] In order to achieve "lasting economic growth" in Mexico, the executive branch has explained the guidelines for the economic policies of 1995 to Congress, which will be based upon stability and clean public finances to guarantee equitable domestic development. The general criteria for the economic policies signed by Ernesto Zedillo and submitted to the Chamber of Deputies by Finance Secretary Jaime Serra Puche stipulate that the 1995 economic program is "prudent and unalterable" and include the following three objectives:

1. Consolidate price stability by reducing inflation, which should be 4 percent in 1995.

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2. Begin a phase of larger economic growth and reach a 4 percent rate of increase in economic activities in 1995, thus reflecting a larger rate of job creation.

3. Achieve permanent and continuous increases in the workers' real income and the Mexican families' welfare beginning in 1995.

The document delivered to the deputies anticipates the creation of a multidisciplinary and pluralistic "Fiscal Advisory Council" in the tax field. The Council will allow the improvement of the Mexican tax system.

Here are the overall aspects of the economic policies of the Zedillo administration:

The development of the Mexican economy estimated for the first year of the Zedillo administration sets the real GDP growth at 4 percent, which is almost 1 percentage point above the results expected for 1994, the last year of Carlos Salinas' government.

The government's inflation goal for 1995 is 4 percent, which is less than the national consumer price index, expected to reach 6.9 percent in 1994.

As for the foreign sector, expectations for current accounts in 1995 are slightly lower than those expected for 1994, namely minus 7.6 to minus 7.8 percent.

The overall criteria of the economic policies presented by Serra to the plenum of the Chamber of Deputies forecast a negative trade balance, minus 4.6 percent of the GDP, as compared to minus 4.7 percent expected in 1994.

Total exports would have a positive balance in 1995, amounting to 17.3 percent, compared to the 16.1 percent reached in 1994. Oil exports will drop slightly, according to official estimates of 1.8 percent, compared to the 2 percent reached so far in 1994.

The state is optimistic over increasing non-oil exports, which could represent 15.5 percent of the GDP, compared to the 14.1 percent reached so far this year.

Imports will continue to increase. According to SHCP [Secretariat of Finance and Public Credit] statistics, Mexican imports would represent 21.9 percent of the GDP in 1995, compared to the 20.8 percent achieved a year earlier.

According to the text of the document, there are opportunities to increase social spending, to meet the people's main demands, to invest in public programs and basic infrastructure, to foster growth, and to create more jobs in keeping with the goal of maintaining the balance in public finances. In addition, there are opportunities to motivate small and medium-sized companies through fiscal measures, to offer better legal security to taxpayers, and to give incentives to those workers and employees [causantes] who earn lower incomes.

According to the three objectives of the economic policies, price stability will stress favorable trends in economic growth that the Mexican economy is currently experiencing and will contribute to achieving sustained growth.

The certainty in the economic development and a fair treatment between authorities and production sectors, between the national treasury and taxpayers, between the national economy and the foreign sector, and among the country's many economic sectors will guarantee an additional thrust to economic activities.

The document reads as follows: Economic progress is justified only if it brings benefits to families. The economic policies of 1995 require a great effort to make the budgetary balance coincide with a significant increase in social spending and investments.

As for public finances, the proposal on revenues and expenditures coincide with a basic financial surplus reaching 2.2 percent of the GDP, thereby translating into a favorable economic equilibrium.

Tax policies are aimed at contributing to strengthening real salaries, promoting investments, cleaning up the environment, increasing production, offering better legal security to taxpayers, and moving forward with administrative downsizing.

The document refers to the so-called "fiscal credit" for workers who earn up to two minimum salaries in order to increase their take-home pay by up to 3 percent.

It also forecasts that the improvement of the fiscal system requires the participation of specialists on the subject who will present the sectors' standpoints. To this end, the "Fiscal Advisory Council" will be created. Legislators; experts on worker, peasant, business, and academic affairs; and renowned professionals will form the council. State governments will be invited to participate in this national task.

The document states that the Bank of Mexico is responsible for implementing monetary policies. This is why the goal of achieving fiscal balance acquires broader significance, because the government will not have access to inflationary investments.

Foreign exchange policies will maintain the existing rate of exchange.

Zedillo states in the document that it is time to begin a new phase in domestic economic development, adding: "I am proposing a prudent and unalterable economic program," starting from the achievements of the last few years and recognition of what needs to be done to accomplish better price stability, to increase competitiveness, and to improve the welfare of Mexican families.

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National Action Party Chairmanship Highlighted

95CA0056A Mexico City REFORMA in Spanish 28 Nov 94 p 12A

[Commentary by Juan Molinar Horcasitas, researcher at the National Autonomous University of Mexico's Social Research Institute: "Republican Advances"]

[FBIS Translated Text] Last week the Chamber of Deputies made a series of decisions that passed almost unnoticed because public attention, and not without reason, was captured by the dispute between Mario Ruiz Massieu and the PRI [Institutional Revolutionary Party] leadership. Even though it is understandable that the public's attention would focus primarily on this conflict, there is no doubt that the legislative decisions which I am going to comment on deserve analysis and even applause, as they are solid advances toward creating a more democratic republic and a more responsible government.

The formation of the legislative commissions of the Chamber of Deputies is an extraordinary signal of political change because it combines in a splendid manner two of the major steering principles for creating a democratic government: the principle of majority rule and the introduction of checks and balances in government institutions. Let us look at this.

Two aspects about the way in which the legislative commissions were formed are especially noteworthy. The first is that the Chamber used proportionality criteria in allocating the chairmanships of these commissions. The second is that the chairmanship of the Commission for Oversight of the Office of the Chief Auditor for Finance will go to the leading minority of the Chamber of Deputies, which in this instance is the PAN [National Action Party].

Concerning the distribution of legislative commission chairmanships, we should point out that this is not the first time in which a commission has been chaired by an opposition legislator. In the preceding legislature there were similar cases, as the PAN chaired the Justice Commission and the Libraries Commission. However, this time the use of this practice is being considerably expanded, allowing more constructive and consensus-based relations to be established between the government and the opposition.

It is also worthwhile to point out that not only the PAN but also the PRD [Party of the Democratic Revolution] and the PT [Labor Party] obtained some commission chairmanships. Including the PRD in this legislative pact opens the door to a normalization of political relations between the PRD and the PRI. This fact alone is beneficial.

In addition, the appointment of the leading minority to the chairmanship of the Commission for Oversight of the Office of the Chief Auditor for Finance is in itself an extremely important move, as for the first time since the establishment of one-party domination in Mexico the system is moving toward the creation of conditions suitable for the effective exercise of government spending oversight functions.

This state function, which is essential for sound operations in any government, especially in a democracy, has atrophied in our country because ever since the PRI's hegemony was established, this party has simultaneously controlled both the presidency of the republic and the majority in the legislative chambers. Control of the presidency gave it the keys to public administration; control of the chambers gave it the keys to legislative functions, but also to budget control.

That political unity meant that the overseer and the overseen were a single entity, a single party, and no control and oversight system can work like that. The change recently introduced breaks this inevitable collusion between the overseer and the overseen, and does so in a way that is appropriate in Mexico's present situation. Even better, it does so in a manner suitable for Mexico's future, which must be democratic, and so it must be capable of reconciling majority rule with the establishment of effective checks and balances. These changes, of course, are not enough, but they are a step in the right direction.

Correspondence on Izquierdo Hebrard-Chirinos Link

95WB0015A Mexico City PROCESO in Spanish No 936, 10 Oct 94 p 78

[Undated letter from Miguel Lopez Azuara, general coordinator on news media, in Xalapa, Veracruz, to PROCESO editor, and editor's reply]

[FBIS Translated Text]

On Chirinos and Izquierdo Hebrard

Dear Editor:

The article titled "Arturo Izquierdo Hebrard (Chirinos Employee), an Important Part of the Gulf Cartel: PGR [Office of the Attorney General of the Republic]," which appeared on page 17 of PROCESO No. 935, dated 3 October 1994, is not a press report: it is a despicable act, contrary to ethics and truth.

What is claimed in the article under the signature of Ricardo Ravelo as it regards an alleged connection between the aforementioned Izquierdo Hebrard and the Veracruz government is absolutely false and irresponsible: No member of Patricio Chirinos' family is in any way associated with that person, and he is not a government employee. Nor did he contribute a "large sum" to finance the campaign of the present governor of Veracruz.

The spurious manipulation of lies and slander cannot be regarded as serving any legitimate interest.

I hope that this strong protest will be published on the same page 17 of the next issue of PROCESO, to expose the slanderer and his attempt to cast aspersions on an honest person's name.

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Yours truly, Miguel Lopez Azuara, General Coordinator of News Media, Xalapa, Veracruz.

Editor's Note

As was explained on the telephone to Miguel Lopez Azuara, attributing to Arturo Izquierdo Hebrard the status of an employee of Governor Patricio Chirinos was an editorial error, no more, no less. The original article from correspondent Ricardo Ravelo stated, verbatim:

"The 'Drug Godfather' (Izquierdo Hebrard) also is connected with the murder of Felipe Lagunes Castillo (PROCESO, No. 654), cousin of former Governor Agustin Acosta Lagunes. Felipe Lagunes, the political boss of Veracruz' central zone, was tortured and killed in May 1984.

"Accused and imprisoned as the material perpetrator of the crime was Hiram Morales Morales, former commissioner of public security in the municipality of Boca del Rio, and Izquierdo Hebrard's executing assistant.

"Hiram Morales Morales was immediately released, without any charges brought. The crime involving Felipe Lagunes remains unsolved. At Izquierdo Hebrard's recommendation, Hiram Morales was put in charge of Miguel Aleman Velasco's security when the former Televisa executive was a candidate for senator in Veracruz. He is currently serving in the same capacity in Patricio Chirinos' government: in charge of the security of the governor's wife."

Owing to an editorial error, the references to Hiram Morales were eliminated, leading to the misconception. Therefore, we apologize to Governor Patricio Chirinos and to our readers, and make this correction: According to the article by correspondent Ricardo Ravelo, it is Hiram Morales, and not Arturo Izquierdo Hebrard, who is responsible for the security of the governor's wife.

Moreover, the text in question never stated that Izquierdo Hebrard contributed a large sum to finance the campaign of the present Veracruz chief executive.

It only reported:

"At a rally during Patricio Chirinos' campaign, Izquierdo Hebrard reappeared, telling reporters that he had belonged to the PRI [Institutional Revolutionary Party] for several years and had, 'with great pleasure,' contributed a large sum to the campaign of 'my friend,' Patricio Chirinos, because he had been invited to join the PRI's Finance Committee...." [as published]

According to correspondent Ravelo, Izquierdo Hebrard made these statements in Nautla, to reporter Jose Manuel Carvallo Carvallo, from the newspaper NOTIVER, and Beatriz Savaleta Perez, from the Veracruz radio station XEU, and witnessed by other reporters from various media. Their testimony indicates that, on that occasion, Izquierdo Hebrard spoke with Patricio Chirinos in the presence of the press coordinator, Miguel Lopez Azuara, and other politicians and collaborators.

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El Salvador

Calderon Disusses Summit Results, Proposition 187

PA1412224194 San Salvador Radio El Salvador Network in Spanish 2300 GMT 13 Dec 94

[News conference by President Armando Calderon Sol with unidentified reporters at the Comalapa International Airport in San Salvador on 13 December—recorded]

[FBIS Translated Excerpt] [Reporter] Mr. President, I have two questions on the Summit of the Americas. First, explain a bit [words indistinct] the Concausa [Central American-USA Agreement] document [words indistinct] more than 40 million [words indistinct] an overall assessment of the results of the summit.

[Calderon Sol] We indeed have a partner for the Alliance for Sustainable Development in the United States, which has clearly joined this strategy as a partner in Central American development. It has expressed its complete understanding and adherence to this alliance, which is a strategy for facing Central American problems to foster development, consolidate democracy, respect human rights, protect natural resources, and guarantee the existence of a viable Central America for future generations. In short, we have [words indistinct] this sustainable alliance of which you are already aware and that the United States has viewed sympathetically and has expressed its adherence and wish to participate in this alliance as a partner outside the region, in whose residents and [word indistinct] we can find support and affinity.

[Reporter] Mr. President, during your visit to Miami, you and the other heads of state held talks on Proposition 187. Was there any tangible response from the U.S. President on this [word indistinct]?

[Calderon Sol] In fact, President Zedillo and I expressed clear positions on Proposition 187 and the problems of immigrants at the Ibero-American Summit. [as heard] We received a quick response from President Clinton, who is also decrying such actions. He is criticizing Proposition 187, which is a federal law [as heard] and which [words indistinct] the effects of this law. These effects were suspended at the state level, but if this law had federal implications, the U.S. Supreme Court of Justice would intervene. Clinton and his administration adamantly oppose this law, as do thousands and thousands of U.S. citizens and politicians. Proposition 187 clearly violates all human rights and children's rights. Rejection of this proposition has come not only from the United States but from outside the United States; that is, from the world. In other words, we Salvadorans and all immigrants living in the United States have the support of the world against Proposition 187, which was devised by California Governor Pete Wilson.

[Reporter] In general, what was achieved at the summit?

[Calderon Sol] There were very clear, decisive achievements. The summit has set the agenda for the next few years and the beginning of the century. The Summit of the Americas in Miami has made the need for hemispheric economic integration very clear. You have seen that the year 2005 is near. We are talking about just a few years. There is a desire to be commercially integrated as a region by the year 2005, if not before.

We in Central America and the Caribbean have secured from President Clinton a clear commitment to support the Temporary Trade Program initiative. If the U.S. Congress approves it, El Salvador will be able to participate in the program while it is waiting to enter NAFTA.

We expect the U.S. Senate to approve it in January. This would put us on equal footing with the United States in terms of trade relations. If the Temporary Trade Program is not approved, we will be adversely affected, because NAFTA allows Mexico to enjoy advantages to the detriment of Central America and the Caribbean. This is something we clearly discussed at the summit. President Clinton has committed himself to supporting this initiative. I think that is a victory we must clearly understand.

Likewise, we have been assured by President Clinton that there will be no mass deportation of Salvadorans. I think this has brought calm to the Salvadoran people, especially in this Christmas season, when there is contemplation and people are searching for harmony to establish goals for the coming year. I think this has been great news for the Salvadoran community in the United States and great news for Salvadoran families in El Salvador.

The extension of temporary work permits in the United States has been another diplomatic victory with which U.S. President Clinton has favored the Salvadoran Government and people. With this awareness, El Salvador will be able to consolidate its economic and democratic process. I believe there is a true acknowledgement of El Salvador's obvious accomplishments in ensuring peace, rights, and gradual democratization.

I can assure you that our country has the admiration and respect of the international community and the men and women who govern America—free leaders who have been democratically elected. I think Salvadorans must be pleased with the democratic process we are currently enjoying in this country and that we have been able to end the fratricidal fight and senseless bloodshed. [passage omitted]

Discusses Trade, Development

PA1412232594 San Salvador DIARIO LATINO in Spanish 14 Dec 94 p 3

[FBIS Translated Text] According to an official communique, President Armando Calderon Sol reiterated the need for the United States to approve the creation of an

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interim trade program, which would favor the international flow of trade to El Salvador and the other countries in the region.

The president expressed this position yesterday at the conclusion of the first day of the 18th Latin America and the Caribbean Conference, held in Miami from 12 to 15 December.

The president said the creation of this program will balance the current trade deficit between Central America and Mexico, the latter of which entered NAFTA in January.

Calderon Sol's speech, delivered before 600 people at Miami's Inter-American Hotel, began at 2200 hours and lasted 15 minutes.

The President analyzed the economic situation in El Salvador, recalling the nation's decade of war and the economic crisis, which was evidenced by unemployment, inflation, fiscal deficits, and poverty.

Currently there is economic growth in all areas, which is leading toward social tranquillity. Calderon Sol said: "Peace understood as simply the silencing of guns is not enough. After a decade of fratricidal war, we are committed to the physical, moral, and spiritual reconstruction of our nation."

He explained that the current government believes the consolidation of peace is based on five points which form the fundamental pillars of sustainable growth: economics, social, legal, and public security policies, and the environment.

"El Salvador is now a nation at peace that is progressing with the support of all Salvadorans and the solidarity of friendly nations. We are sure that the changes we are making will strengthen democracy and make our economy more dynamic and attractive for investment," Calderon Sol said.

The President used the international forum to invite businessmen to look at El Salvador as a new option for investment and to consider the Central American nation as a trade partner.

Guatemala

De Leon Carpio Briefs Ministers on Summit

PA1412131894 Guatemala City PRENSA LIBRE in Spanish 13 Dec 94 p 4

[FBIS Translated Text] It was officially announced that yesterday President Ramiro De Leon Carpio held a cabinet meeting to discuss the various aspects regarding the results of his participation in the Summit of the Americas held in Miami, United States.

Among the Miami summit achievements, De Leon Carpio emphasized the private meeting held with U.S. President Bill Clinton, with whom he discussed the peace process and the issue of human rights.

He also discussed with his ministers Central America's prospects regarding the implementation of commercial agreements and development programs.

Among other aspects, President De Leon Carpio stressed the solidarity expressed by his Latin American counterparts in support of the peace process, specifically with regard to a cease-fire.

Discussing the president's briefing, Felix Loarca Guzman, the presidency's public relations secretary, expressed his satisfaction with the acknowledgment made by the international community—conveyed on this occasion—of the government's efforts to consolidate the democratization process.

URNG Believes Integration Through Free Trade Necessity

PA1412035194 Mexico City NOTIMEX in Spanish 0229 GMT 12 Dec 94

[FBIS Translated Text] Mexico City, 11 Dec (NOTIMEX)—The Guatemalan National Revolutionary Unity (URNG) believes the integration of Latin America through free trade is an inescapable necessity, Gaspar Ilom, representative of the guerrilla organization, has said.

"We view foreign investment as a necessity for development. The only condition is that it must be mutually advantageous for our country," Ilom has said in an interview with NOTIMEX.

For the URNG, the topic of free trade in Latin America must be addressed, even though "the problem is that Guatemala is not in the same condition as the other Central American countries" as well as the rest of the continent in general, he added.

After a news conference at the UN offices in Mexico, Ilom said his country will have to prepare, because entry into a free trade system requires democracy and political and social stability.

The representative has said the URNG considers free trade "an inescapable situation," about which it proposes alternatives, although he said the organization maintains its initial position.

The UN Mission to Verify Human Rights in Guatemala (Minugua) met on 11 December with members of the URNG to obtain the guerrilla group's cooperation during the ongoing peace negotiations between the parties involved in the conflict.

Meanwhile, at a news conference after the meeting, Minugua Director Leonardo Franco said that mission will remain outside the process of negotiations so as to reestablish peace in that Central American country where there has been a civil war for nearly 34 years.

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He said the mission will present to UN Secretary General Butrus Butrus-Ghali next week its first report on the distribution of the Minugua offices in various towns inside the conflict area.

These meetings, he said, are included in the General Agreement on Human Rights, which was signed by the Guatemalan Government and the URNG on 29 March and which permits the creation of bilateral mechanisms for dialogue between the mission and the parties involved in the conflict.

In those talks, Franco added, each of the parties can formulate requirements so appropriate agencies, in keeping with the Guatemalan Constitution, can channel the reports of violations of human rights.

For his part, Gilberto Schlittler, director of the Special UN Office for Guatemala, said security conditions must be created so Minugua can do its job until a peace agreement is signed.

Gaspar Ilom, who was accompanied by guerrilla commanders Rolando Moran and Carlos Gonzalez, said in the news conference the solution to the conflict requires the establishment of the foundations for real democratization in the country.

He announced the parties will hold intense negotiations in Mexico next week, saying it would be desirable to obtain the signing of a peace agreement as soon as possible. He added Minugua's participation in this task will be important.

He said repression intensified in Guatemala in August as a result of the signing of the General Agreement on Human Rights, forcing the URNG to suspend the negotiations.

The guerrilla representative admitted the URNG's decision delayed the Guatemalan peace process, which, he said, can continue once the installation of Minugua is definite.

Democratic Party Secretary General Shot, Injured

PA1412131494 Mexico City NOTIMEX in Spanish 0537 GMT 14 Dec 94

[FBIS Translated Text] Guatemala City, 13 Dec (NOTIMEX)—Jorge Reyna Castillo, the secretary general of the minority Democratic Party [PD] of Guatemala, was injured today when two unidentified individuals shot him twice. The incident took place in the center of the country's capital city.

The volunteer firemen rescue corps reported that Reyna Castillo had been attacked by the unidentified individuals in Zone Five of Guatemala City, while he was traveling in a vehicle accompanied by two other people, who were also injured.

The rescue personnel did not give an immediate report on the political leader's condition or the identity and conditions of his companions.

Authorities have not confirmed the report on the attack against the leader of the recently founded PD, which does not have a representative in Congress but obtained two mayoralties this year.

Cesar Aguirre, mayor of Colomba Costacusca and also a member of the PD, was murdered, together with two municipal council members of the same political party, shortly after assuming his post in mid-1994.

Ombudsman Urges End to Conflict, Notes Bamaca Case

PA1412220894 Guatemala City SIGLO VEINTIUNO in Spanish 10 Dec 94 p 2

[FBIS Translated Text] Pointing out that during its history, Guatemala has suffered "authoritarian, cruel, and autocratic regression" and that the human rights situation is not "quite favorable," Ombudsman Jorge Mario Garcia Laguardia urged yesterday that the internal armed conflict be ended.

"The government, the Army, and the Guatemalan National Revolutionary Unity [URNG] should show their true will to reach agreements and relinquish any sort of pretexts they use to stall the signing of peace commitments," Garcia stated.

His statement followed the commemoration of International Human Rights Day, which was established in Paris on 10 December 1948 by an UNGA [UN General Assembly] resolution. According to Garcia, the objectives outlined in the resolution "have not been achieved in Guatemala."

As for the human rights situation in our country, Garcia said the violations have increased "alarmingly," which will become obvious in the latter part of January 1995 when he will submit a report before the plenum of the Legislative Assembly as required by the Constitution.

"I can already tell you my report will not be an optimistic one since this year there was an increase and a return to political violence. As a result, I urge those involved in the negotiation process to answer the expectations of Guatemalans," he stated.

He noted that Guatemalans are living in a difficult and painful situation, in which crimes against the family, abuse of authority, and crimes against the physical and moral integrity are the norm. This situation must be overcome to be able to coexist in harmony.

Submits Report to Supreme Court of Justice [CSJ]

Yesterday, after a month of pursuing a special investigation into the case of Efrain Bamaca, or URNG "Commander Everardo," Garcia submitted the final report to the CSJ. Garcia Laguardia established in the report that "Bamaca's whereabouts are unknown, as is any knowledge of whether he is alive or dead."

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Garcia concluded that "despite the efforts and the effective and exhaustive use of the time allotted to the investigation, it was determined that Bamaca Velasquez was not arrested by state officers or security forces."

In the report, the ombudsman referred to the meetings held between 2 and 7 December with 12 Army members, mostly officers, who could have been involved in the presumed arrest or murder of Bamaca.

From those meetings, he concluded that most of officers interviewed were deployed in Military Zone 18 in San Marcos at the time Bamaca was presumably killed or captured. However, none of them has heard anything about the rebel leader.

The Ombudsman's Office also included a written declaration by Defense Minister Mario Enriquez, who noted that he has never told anyone, either within the country or abroad, that he knows for certain whether Everardo is still alive (because) the proper authorities are responsible for issuing the final ruling on the incident.

Nicaragua

Sandinist Assembly Approves Ethics Commission Plan

PA1412175294 Managua BARRICADA in Spanish 13 Dec 94 p 3

[Resolution issued by Nicaragua's Sandinist Assembly in Managua on 11 December]

[FBIS Translated Text] Resolution

During an 11 December 1994 meeting held to discuss issues related to efforts in favor of Sandinist unity, the secretary general's report, and the Regulations of the Sandinist Assembly, this assembly

Resolves:

1. To acknowledge the effort made by the Legal Affairs and Ethics Commission to secure FSLN [Sandinist National Liberation Front] unity in compliance with this mission assigned to it by the Sandinist Assembly.

2. To support and approve the proposal and the work plan for Sandinist unity drafted by the Legal Affairs and Ethics Commission of the Sandinist National Liberation Front.

3. To call on all Sandinist structures to work intensively throughout the territory and in all sectors to promote FSLN unity.

This work must be carried out on the basis on a struggle plan implemented in each territory and sector on the basis of the idea that unity is built through daily work.

4. To unanimously approve the report of the secretary general and place on the record the recommendations made at this plenary meeting to draft the Political-Organizational Action Plan of the FSLN.

5. To unanimously approve the Regulations of the Sandinist Assembly, including the recommendations that secured the backing of the majority.

Issued in Managua on 11 December 1994.

Panama

Deputy Minister: Troop Arrival Not Violation of Treaties

PA1412192194 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Dec 94 p A-1

[Report by Cristobal A. Chen]

[FBIS Translated Text] The arrival in Panama of U.S. troops to guard Cuban rafters housed in four camps along the canal "does not violate" the Torrijos-Carter Treaties, Deputy Foreign Minister Omar Jaen said yesterday.

Jaen noted that the Canal treaties specify that the United States is responsible for defending the waterway.

Furthermore, the agreement between Panama and the United States to house about 10,000 Cuban rafters in Panama for six months "established that the United States is responsible for the security around the Cuban refugees," he added.

On 12 December, approximately 630 Infantry troops from Fort Bragg, North Carolina, and 330 engineering troops from Fort Hood in Texas began to arrive at Howard Air Base, along the Panama Canal, the Southern Command reported.

Captain John Leadett, spokesman for the "Safe Haven Operation," said that "our aim is to maintain control over the situation in the camps."

The violent disturbances and escape from the Cuban rafter camps left two dead and 249 injured, including Cubans and U.S. soldiers.

The Southern Command yesterday confirmed that about 10 rafters are either fugitives or escapees. [as published]

Deputy Foreign Minister Jaen added that U.S. authorities consulted the national government about the arrival of these two contingents in Panama.

Meanwhile, President Ernesto Perez Balladares said on 12 December that there "will be no extension" after the expiration of the six- month stay of Cuban rafters on Pananamian soil.

The agreement between Panama and the United States specified that about 10,000 Cuban rafters will be in Panama for six months.

"We understand the frustration, desperation, and aspirations of these Cubans, and we profoundly regret these developments," Jaen added.

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Human Rights Official Demands UNHCR Statement on Violations

PA1412210394 Panama City EL SIGLO in Spanish 14 Dec 94 p 10

[Report by Yuriela Sagel]

[FBIS Translated Text] Osvaldo Velasquez, president of the Panamanian Human Rights Committee [CPDH], has demanded that the UN High Commissioner for Refugees (UNHCR) issue a strong statement on the human rights violations against the Cuban rafters in the Nuevo Emperador camps in Arraijan.

The CPDH will also send a letter to the Panamanian Foreign Ministry to demand that it issue a statement on the charges it has received about the rafters' situation.

Velasquez asserted that the United Nations and the Panamanian Government cannot be indifferent to the problems endured by the Cuban citizens.

He pointed out that "the situation of the Cuban refugees in Panama violates the UN convention and its protocols. [no closing quotation marks as published]

He asserted that the Cubans cannot live in "concentration camps" or be deprived of their freedom or of access to the media.

The human rights official added that the events reported by the Cubans are a clear violation of their human rights as it has been established that "torture or inhuman treatment" cannot be used.

Dr. Velasquez stated that the U.S. Constitution clearly stipulates that every person has the right to be free and to fight for his freedom.

In this sense, Velasquez asserted that no democratic country punishes a person who is looking for his freedom and described the Cubans violent actions as "normal."

Also, the CPDH president said the situation of the rafters, who have been installed on the banks of the Panama Canal, could be taken up at the meeting of the International Human Rights Court next January.

Human Rights President, Foreign Minister Discuss Rafters

PA1512014194 Panama City TVN Television Network in Spanish 0000 GMT 15 Dec 94

[From the "TVN News" newscast]

[FBIS Translated Text] Panamanian Foreign Relations Minister Gabriel Lewis Galindo, and Dr. Osvaldo Velasquez, Panamanian Human Rights Committee president, met today at the Foreign Ministry, which is located in the reverted areas, to examine the situation of the Cuban rafters lodged in the refugee camps following a number of riots last week. Dr. Velasquez described the results of the meeting:

[Begin recording] [Velasquez] We recognized from the beginning that human rights were being violated, because the right to freedom is a basic human right. Some believe the right to freedom is perhaps the preeminent right; it is so important that even the U.S. Constitution stipulates that every U.S. citizen has the right to rebel against oppression exerted by any system that deprives them of freedom. That is why, Mr. Minister, we are very thankful for this meeting.

[Lewis] Thank you, Dr. Velasquez. A few minutes ago, we called the U.S. Embassy. We, Dr. Velasquez, his organization, and U.S. Embassy officials, will hold a meeting on the morning of 15 December at 0900 to ensure that they will listen directly to the Committee's concerns. It is a meeting for those of us who identify with the pain and suffering of these Cuban brothers who left their homes looking for better days and whom destiny brought to our beaches. We want their stay in our country to be as painless as possible, and we hope they can take with them less painful memories of their stay here. [end recording]

As for possible solutions to Cuban rafter issue, and taking into account the 1951 Convention and the 1967 Protocol, Dr. Velasquez had this to say:

[Begin Velasquez recording] If the United States is unwilling to take care of these Cuban refugees, then all the other countries that signed these documents, including Panama, must take care of them, depending on the resources each country has. To say the least, of the 10,000...[pauses] 1,000 rafters lodged in Panama, the United States will have to take care of 100,000 rafters over there [sentence as heard]. This is an approximate proportion. However, all signing countries could have much lower proportions. [end recording]

Editorial Views Conditions of Cuban Rafters

PA1412015994 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Dec 94 p A-4

[Editorial: "The Tragedy of the Cuban Rafters"]

[FBIS Translated Text] What is happening with the thousands of Cuban rafters in the U.S. military bases in Guantanamo, Cuba, and the area of the Panama Canal constitutes an indescribable affront to the human rights of man and the most elementary principles of decency.

Ever since the terrible conditions under which the Cuban refugees were staying, especially in our country, were known, we could not conceal our amazement and evident concern over the ultimate fate of the experiment that would be put into practice.

Perhaps those Cubans miscalculated when they exchanged being deprived of their freedom for a no less deplorable as well as suffocating condition. They had risked their lives by setting out to sea to fall into a disguised concentration camp. We understand perfectly well the new situation was unplanned and unimaginable.

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We warned at that time it would be impossible, given the Cubans' nature, to get them to adopt a conformist attitude in the face of the new condition being prepared for them. We knew that if they had had sufficient courage to defy the Straits of Florida and reach U.S. territory, nothing would keep them from breaking all barriers imposed on them at the U.S. military base where they had been sheltered.

What has been taking place since their arrival in Panama testifies to this point. For that reason, we have not been surprised at all by the rebellion the Cubans staged these past few days in which more than 1,000 of them tore down the barrier encircling them, went into the jungle, and defied the security measures U.S. soldiers stationed in the area had imposed on them.

The protest left a toll of several dead, more than 100 wounded, and more than 700 Cubans under arrest. The use of force was necessary to compel the protesters to return to the site of their unbearable captivity.

A series of incidents that profoundly aggrieve human sensibility exists in the face of these incidents. The treatment given to the Cuban rafters, for the purpose of maintaining order at the bases occupied by the refugees and the agreement signed between the governments of Panama and the United States, was censurable. The human hunt unleashed in that respect seemed inappropriate at all times.

Beyond that painful sight to the eyes of the international community, the regrettable deaths that occurred and the arrests that were made, a problem exists that must be viewed in its appropriate perspective by those who adopted the provisional measure of concentrating in this way the more than 30,000 Cubans who had fled their country.

The despair and agony that have taken hold of them due to the inhuman conditions to which they have been subjected drove them to take this kind of decision. On those occasions which we have referred to the concentration sites prepared by the U.S. Government, we have unhesitantly stated that the existing problem would not be solved with palliative or temporary measures. We have affirmed there will be no way of ending the presence of Cuban rafters ready to risk their lives without a permanent and beneficial agreement.

The Cuban rafters have lost all hope for a short-term solution to their serious plight. Sending several dozens of them to the United States and Spain is not a permanent solution, and neither are a source of encouragement the impulsive and nearly indifferent mechanisms used to authorize the entry of 20,000 Cubans into the United States as the result of an agreement between Cuba and the United States.

The Cuban rafters' dream and hope of reaching the promised land vanish not only before the turbulent waters of the Straits of Florida, which so many of the rafters challenged and overcame, but in the absence of permanent measures that can guarantee the fulfillment of their ideal.

Before this frustrating reality, the problems of the rafters, both in Guantanamo and Panama, will remain latent. The rebellious outbreaks will continue, the fences around the camps will continue to be knocked down, and there will be more dead, injured, pursuits, and arrests. When Fidel Castro and his government change their policy, the criminal U.S. embargo is lifted, and the Cubans can live peacefully in their own land and anywhere else in the world, then there will be no more Cuban rafters, and events such as those that happened last week will not happen again.

Commerce Chamber President on 'Important' Summit Results

PA1412190094 Panama City EL SIGLO in Spanish 14 Dec 94 p 43

[Article by Betty W. Mendineta]

[FBIS Translated Text] Ricardo Duran, president of the Panamanian Chamber of Commerce and Agriculture, yesterday termed the "Summit of the Americas" as an important achievement given the initiation of all the nations' efforts to create an "area of free trade in America," extending from Alaska to Tierra del Fuego, before the year 2005.

Duran pointed out that the consolidation of the markets and the trade unification of the Latin American nations will mean for Panama that the service economy we have will reinforce the nation as a center of distribution and redistribution of products.

It is a confirmation that the Latin American nations have a great deal of interest in speeding up trade exchanges as a measure to expedite their development and thereby create new job sources, he emphasized.

Duran indicated that this is the way that the Latin American nations will be able to defend themselves from the "enormous" economic initiatives that the other trade blocs have launched.

He said that this trade bloc being created in the Americas will be competition for the European economic market as well as for the common market that is being formed by the Asian nations.

The 34 continental presidents recently approved a historic declaration of principles at the Summit of the Americas in which they made a commitment to work in a "fervent" manner in favor of democratic practices, economic integration, and social justice.

Meanwhile, Duran stated the Panama's joining the GATT should not create chaos for the nation as it is a pre-condition to becoming a part of those economic blocs.

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He pointed out that becoming part of the Americas Free Trade Area will also represent a social cost, although with the integration and opening of the markets—as a nation of services and as a nation with a small agriculture production—we will have access to much larger markets.

Correspondent Assesses Summit From 'Behind Closed Doors'

PA1412164794 Panama City LA PRENSA in Spanish 14 Dec 94 p 43-A

[Article by Washington correspondent Betty Brannan Jaen: "The Summit of the Americas Viewed From Within"]

[FBIS Translated Text] Washington, D.C.—The most interesting developments of the great "Summit of the Americas," which was held last weekend in Miami, occurred behind closed doors.

The media and public were denied access to the three work sessions of the 34 leaders who attended the summit. This also applied to meetings between the foreign ministers and U.S. Secretary of State Warren Christopher and Treasury Secretary Lloyd Bentsen.

Panamanian and international sources, however, allowed LA PRENSA to permeate the privacy of the summit. Most of the following information was provided by sources that were not always confirmed by an independent source:

It is apparently true, and many have criticized this, that the summit agenda was hastily defined. Around July, the United States had circulated the agenda draft, but it did not receive much support in Latin America, where free trade in the style of the NAFTA was more important than the issue of "democratic governability," which the United States wanted to focus on. The Rio Group circulated a counterproposal and on the week of 22-29 November, only a week before the start of the summit, representatives of all countries met at Airlie House, in the outskirts of Washington, to negotiate the final agreement of the summit. Panama was represented by Ambassador to the United States Ricardo Alberto Arias and embassy advisor Fernando Eleta Casanova.

The representatives of 34 countries arrived at Airlie House with positions that were so divergent that Alex Watson, assistant secretary of state for Inter-American affairs, described the agreement reached as "the miracle of Airlie." It is significant to note that Latin American countries, to a large degree, managed to impose their wishes, including an invitation to Chile to join NAFTA and the promise to establish a free trade zone extending from Alaska to Tierra del Fuego by 2005 at the latest. They also managed to get a U.S. commitment to reduce "covert barriers" against certain Latin American imports, to eliminate the requisite of "equal access" for service suppliers (Latin Americans prefer the concept of "equitable access" that takes into account differences of scale), and to lower the profile of the labor rights issue. Official Panamanian sources maintained that Panama was the country that suggested the year 2005 as the deadline for the creation of a free trade area and contributed significantly to the provisions on drug trafficking.

Argentina and four Central American countries did all they could to include on the agenda a call for the democratization of Cuba, but Mexico rejected this idea vehemently based on its stubborn respect for the principle of nonintervention. Because of the opposition of Mexico and the lack of consensus among the other leaders on the best way to handle Cuba, they opted to dodge the Cuban issue although the frequent references in the final document to the unbreakable commitment to democracy and the exclusion of Cuba from the summit say a lot.

In at least the first working meeting of the summit each leader was urged to speak for no more than five minutes, and time was controlled through a light system. A green light was turned on when they started to speak, a yellow light indicated that time was running out, and a red light indicated that time was up (although some disobedient leaders continued).

At the start of the working session, 20 of the 34 leaders opted to deliver a brief speech; President Ernesto Perez Balladares' speech was written by Jorge Eduardo Ritter. Official Panamanian sources said that President Clinton nodded in agreement with several of the points mentioned by Perez Balladares. Clinton told him that it was a good speech, something he did not do with every leader. Official Panamanian sources said that U.S. Vice President Al Gore said good idea, Toro, regarding his proposal to establish a city of knowledge.

During the working sessions on 10 December, President Perez Balladares was accompanied by Planning Minister Guillermo Chapman in the morning and by Foreign Minister Gabriel Lewis Galindo in the afternoon. He was also accompanied by Miguel Lecaro (of the Presidency Protocol Office), Boris Moreno (of the Press Office), and Fernando Eleta Casanova (of the Panamanian Embassy in Washington). Only those wearing a special button previously issued by the U.S. Secret Service had access to the meeting room.

Seating arrangements were the source of headaches for those in charge of protocol. These were allegedly resolved through a lottery. President Perez Balladares, however, was always seated very near President Clinton. President Balaguer of the Dominican Republic (who is far from being a "democratically elected" leader and for this reason I think that he should have been excluded from the summit) was disappointed, because he thought he would sit next to Clinton for being the most senior leader (he is 88 years old and on his sixth presidential term). Clinton, however, was very kind to Balaguer, who is blind and can hardly walk, by frequently and personally helping him walk up and down the stairs.

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There were only two women among the heads of government meeting at the summit: Violeta Chamorro of Nicaragua and Eugenia Charles of Dominica. Mrs. Chamorro is a widow and the prime minister of Dominica is single, and this prevented the dilemma of having a male spouse accompanying the first ladies (although I hope this will soon happen). Mrs. Chamorro took her daughter to social events organized for the first ladies, and President Carlos Menem of Argentina and Alberto Fujimori of Peru did the same. The president of Panama was accompanied by wife Dora Boyd de Perez Balladares, who displayed her habitual elegance, as far as LA PRENSA was able to ascertain.

The Panamanian delegation stayed at the Hotel Omni Colonnade in Coral Gables, where the Perez Balladares couple occupied the presidential suite.

Commerce Minister on Accession to GATT

PA1412153894

[FBIS Editorial Report] Panama City TVN Television Network in Spanish at 1630 GMT on 11 December broadcasts, within the "Dialogue" program, a live 60-minute interview with Commerce and Industry Minister Nitzia Rodriguez de Villarreal and Juan Francisco Kiener, vice president of the Association of Panamanian Industrialists (SIP) by program host Luz Maria Noli.

The interview deals with Panama's decision to join GATT, the outcome of a recent meeting in Washington between Panamanian representatives and U.S. Government officials, and differences in perceptions by Panamanian Government officials and SIP representatives as to what actually happened during the meeting in Washington.

The interview begins with Noli asking Commerce Minister Villarreal about the disagreements between the government and the SIP over the meeting.

Commerce Minister Villarreal points out: "As you have already mentioned, on 20 and 21 November we went to the United States to the first bilateral meeting to discuss the list of requirements they had previously sent us related to our intention to join GATT. Most surely, when we returned, I believe that, more than anything else, instead of speaking about disagreements between SIP and the government, there were differences between what SIP as an association may have expected and the objectives outlined by the U.S. Government. In this respect, we even shared some of SIP's concerns.

"In general terms we believe that the meeting was constructive and positive since the objective we had established prior to the meeting had been accomplished. Most naturally, from the outset we pointed out that this meeting would not be the last but one of several meetings. We do hope that these meeting do not drag on indefinitely and that we will be able to join GATT as soon as possible."

Noli asks the minister about GATT's concrete benefits for Panama. Villarreal says: "We must be clear on what joining GATT really entails. In my opinion, GATT is nothing more than a means. Why a means? As we pointed out, if we have a world where most countries are members of a club, which we could call GATT, and the countries have met, negotiated, and set the rules of the trading game among nations, it is impossible for a small country like Panama to remain isolated from those rules but say that we are going to participate. It is also impossible for Panama to say that it is going to set its own rules and work on its own." She notes: "You can see our objectives in our meeting with Mexican President Zedillo and high- level talks with the United States. Also, everyone has read former President Carter's statements on this issue. Therefore, our entry into GATT is critical to entering that other wider and ambitious market represented by NAFTA."

Noli expresses doubt that Panama has a good chance of joining the already stronger GATT nations. The commerce minister replies that every nation regardless of size, has weaknesses and strengths, and that the smaller nations must unite and complement each other precisely to gain more strength. The minister explains that despite competitive shortcomings in sectors such as telecommunications, adjustments remains to be made. Also, Panama's geographic position is still a major asset, a place where large maritime ports could rival even those like Rotterdam, but infrastructure must be improved and privatization must continue.

Noli then asks SIP Vice President Juan Francisco Kiener about Panama's chances of meeting the coming GATT challenges under current conditions. Kiener stresses: "SIP believes that in order to meet the challenges posed by economic opening we need efficiency in our component elements." Among these ingredients are cost problems, especially in state services like ports, telecommunications, and basic public services like water, energy, and highways.

In response to Noli's question on her impressions of the meeting in Washington, Minister Villarreal notes: "We have tried assess our meeting in Washington. Following the meeting, that same night, we had the opportunity to speak not only with members of the private sector who were with us but also with some officials from the U.S. Commerce Department. To this end, I was able to reach several conclusions which I believe will be very useful for future negotiations. We have already discussed many of these issues with SIP and members of the commission negotiating our admission into GATT at meetings in my office.

"We basically believe this first meeting was exploratory. We were able to brief the U.S. trade representatives on Panama's current situation; we must concede they have often thought our prospects for opening up trade were broader than what we were actually considering. Our supply was entirely the opposite of what they had presented. We believe this was necessary precisely so they

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could confirm Panama's current situation. According to the transcripts of these meetings, they even mentioned they decided to discuss this topic with us because it was Panama, but they made it clear that our proposal was quite remote from their expectations on entry into GATT.

"On the first day, we talked to them about the participation of the agricultural, industrial, and services sectors in our economy and the jobs each sector generates. We briefed them on our plan for developing the country. We seek to implement this development plan because logically we need to make changes. We are convinced that if we continue with the status quo, not enough jobs will be created. Although the country might be able to achieve sustained development, we will continue widening the gap between rich and poor, and the middle class will end up the biggest loser of all in this struggle. The middle class has shrunk substantially in the past few years. We must therefore find a way to change these figures. It is not that we do not want more rich people. We want to prevent an increase in the number of poor people and to help the middle class survive."

Noli asks why, after the economic failures of the 1970's, poor countries and their governments are still trying to follow methods that prove fruitless in the long run. Defending the current government's economic development plan, Minister Villarreal replies that this method is not shortsighted. This plan considers issues like improving an infrastructure and services that are unaffordable and inefficient to help productive sectors to become more competitive; reviewing the government sector so that bureaucracy is reduced, transactions facilitated, and costs lowered; and implementing these actions gradually. It is very important, Minister Villarreal emphasizes, to learn from mistakes made by other nations and implement new industrial and economic policies gradually to prevent chaos and harsh blows.

Noli says that the cost of public services is on the rise while salaries are not. Noli asks: How can the government promise living conditions will improve? Villarreal explains: "The development plan deals with this issue. If we take the energy sector, for instance, the state cannot provide the level of investment necessary to meet future demand. Private capital is necessary, and that is where we are heading. We must also consider this option for the water services institute and the port services, which are extremely costly compared to those in other countries. These issues are under review. We spoke today to the director of the National Port Authority about the various ports and how we will reduce costs in Panama. This morning, I also spoke to several oil people, and they told me some restrictions are currently being enforced in the United States and that will help to make the local bunker industry much more competitive. Consequently, if we optimize port services and reduce costs, we will be able to increase our trade volume.

"This is not an individual action; this is a group of actions. President Ernesto Perez Balladares has categorically pointed out that the state must act in conjunction with private enterprise so that we all may prosper. We do not want to take any action on our own."

Noli comments that prices for 1,500 products were jacked up in Costa Rica this December, thus offsetting any additional money Costa Ricans will receive from year-end bonuses and gifts. In response to Noli's comment that something similar could happen in Panama, Villarreal says that although changes are difficult, countries like Japan have been able to make adjustments with as little trauma as possible. This is the motto of our economic plan.

Regarding Noli's question on how local industries will be able to survive if the government is arguing that consumers will have access to more affordable and better foreign products, SIP representative Kiener says the government needs to subsidize local producers so that prices for raw materials and thus finished products can be lowered.

Asked about direct benefits to the state if tariffs are reduced, Minister Villarreal answers that the government must adopt a more outspoken position to guarantee free competition and to fend off disloyal competition for the sake of consumers. Kiener agrees that the government must enforce stronger mechanisms to ensure that merchants or dealers actually pass the lower tariffs on to consumers by lowering prices.

Noli argues that Panama must make a number of concessions to join GATT; once Panama seeks admission into NAFTA, even more concessions will have to be made. Noli asks what Panama will be left with. Villarreal argues: "We have always believed Panama is not trying to join GATT just to offer the lowest possible prices. I believe a country must always reserve for itself an economic safety net, which we plan to defend and maintain. During these months, December and January, we plan to strengthen Panama's position. We have already discussed this with all sectors. We will assign subcommissions for specific sectors and products that will be hardest hit by our admission into GATT. This is our pledge, and we are committed to doing this in December and January. In addition, not only must we talk to the Americans, but we must also meet with some other countries, possibly in Geneva. Therefore, private enterprise and government must get ready for these meetings."

According to Villarreal, other nations will want to invest in Panama because "the U.S. market and the Americans have said they believe the Canal's intrinsic value still has great potential for them. The fact that the Canal will revert to Panama in 1999 while there will still be a need for their ships and a series of products to go through the Canal increases Panama's chances of branching out into other services. This situation will not change with the turn of the century. To the contrary, this strengthens our negotiating position."

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Poll Indicates General Support for Government After First 100 Days

PA1412181494

[FBIS Editorial Report] Panama City LA PRENSA in Spanish on 13 December publishes a 15-page PULSE OF THE NATION supplement which reports on a poll by Dichter and Neira covering the first 100 days of the Perez Balladares government. "The poll covers seven large areas of investigation: government, efficiency, international relations, internal affairs, political figures, problems and challenges, and situational issues." The investigation, with a margin of error of approximately 3 percent, is based on a random sample of 1,217 individual interviews with Panamanians over 18 who live in the capital city and the interior of the country. The interviews were held in the polled person's residence, face-to-face with the interviewer, from 3 to 5 December."

To the question "Do you think the security problem in the country's streets has improved, worsened, or continues the same with the current government?" the response was: "68.7 percent believe security has improved with the current government; 26 percent that the problem continues at the same level; and 5.3 percent that security in the streets has worsened."

To the question "how do you view the actions of Ernesto Perez Balladares as president?" the people polled answered: 66.6 percent considered them good; 20.3 percent said they were excellent; 8.2 percent said they were bad; 0.6 percent said they were very bad; and 4.3 percent had no answer.

Furthermore, "Perez Balladares has a popularity rating of 86.9 percent." The popularity rating of his cabinet members fared as follows: "Health Minister Aida Moreno de Rivera, 73 percent; Education Minister Pablo Thalassinos, 70.1 percent, Government and Justice Minister Raul Montenegro, 62.9 percent; Foreign Minister Gabriel Lewis Galindo, 57 percent; Commerce and Industries Minister Nitzia de Villarreal, 56.5 percent; Agricultural Development Minister Carlos Sousa Lenox, 56.2 percent; Public Works Minister Luis Blanco, 54.4 percent; Housing Minister Francisco Sanchez, 54.3 percent; Planning and Economic Policy Minister Guillermo Chapman, 53.8 percent; Finance and Treasury Minister Olmedo Miranda, 52.1 percent; Presidency Minister Raul Arango, 49.8 percent; and Labor and Social Welfare Minister Mitchell Doens, 46.1 percent."

To the question "do you believe the administration of justice has improved, worsened, or is the same with the current government?" the response was: "Most people interviewed (55.6 percent) considered that the administration of justice has not changed with this government; 38.3 percent believe it has improved, 5.6 percent that it has worsened, and 0.5 percent did not answer."

To the question "During the first 100 days of the new government, has the country's economic situation improved, worsened, or is it the same?" the response was: "Most people polled (61.5 percent) believe the economic situation in the country is the same after the new government has been in power for 100 days; 32.1 percent believe the situation has improved and 6.4 percent that it has worsened."

To the question "the president prefers that Panama join the Free Trade Agreement (NAFTA, between the United States, Mexico and Canada) instead of joining the Central American Common Market. Do you agree or disagree with the president?" the response was: "49.1 percent of the people polled considered that it is better for Panama to join NAFTA; 18.3 percent do not want Panama to join NAFTA; and 32.6 percent do not know what bloc is more convenient for Panama."

To the question "do you or don't you want a few U.S. bases to remain in the country after the year 2000?" The response was: "Most of the Panamanians polled (67.5 percent) want a few U.S. bases to remain; 24.2 percent don't want them to stay; and 8.1 percent did not reply."

To the question "how efficient do you think the Perez Balladares government is in fighting government corruption?" the response was: "45.9 percent of the people polled believe the government is quite efficient; 14.1 percent it is very efficient; 31.9 percent that it is barely efficient, and 7.3 percent that it is inefficient."

To the question "how effective do you think the Perez Balladares government is in combating drugs?" the response was: "49.1 percent believe it is quite effective; 15 percent that it is very effective; 29.9 percent that it is barely effective; and only 4.8 percent that it is not effective."

To the question "what is your general impression of the Perez Balladares government?" the response was: "69.2 percent view it as good; 12.1 percent as excellent; 10.5 percent as bad; 1.2 percent as very bad; and 7 percent did not reply."

Businessmen Praise Perez Balladares Administration

PA1512010494 Panama City Telemetro Television Network in Spanish 1730 GMT 14 Dec 94

[FBIS Translated Text] The Managerial Front of the Democratic Revolutionary Party [PRD] has offered a dinner in honor of the nation's president. Alfredo Maduro, spokesman for the PRD group, said the dinner was to commemorate the first 100 days of the Perez Balladares administration, which, according to Maduro, is efficiently guiding the state.

President Perez said an effort is being made to promote the country's development.

[Begin Perez Balladares recording] We are going to make the country able to increase the technological and scientific development of education to improve the quality of education and productivity.

Positive steps are being taken to find new markets in line with the new international economic order. [end recording]

Perez Balladares asked businessmen to continue to back his administration for everyone's benefit.

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Argentina

Menem Interviewed on Economic Integration

PA1512033694 Mexico City REFORMA in Spanish 13 Dec 94 p 21A

[Interview with President Carlos Saul Menem by Maria De Alva; place and date not given]

[FBIS Translated Text] [De Alva] How do you view the prospects for a larger economic integration in the American region?

[Menem] The prospects are good, and expectations are great. This is what people are demanding. The proposal to create a trade zone from Alaska to Tierra del Fuego is already several years old. We and other heads of state agreed that a previous regionalization is essential to accomplish this goal. That is the case with NAFTA, the Andean Pact, and Mercosur [Common Market of the South]. Following this regionalization, it would be much easier to move forward with the continentalization through free trade.

[De Alva] In short, how is the European Union's [EU] proposal to Mercosur to draft a free trade agreement moving along, and how do you view the proposal the EU is presenting to Mexico?

[Menem] I do not know how President Ernesto Zedillo is going to be able to reach an agreement with the EU since Mexico is a member of NAFTA. I do not know what NAFTA stipulates in this regard. We are already moving forward with an economic integration between the EU and Mercosur. The EU unanimously supported this idea, and we at Mercosur are working to offer a proposal similar to the one it proposed to us.

[De Alva] Is there a possibility of Mercosur joining the free trade zone encompassed by NAFTA?

[Menem] As long as the idea comes from NAFTA, yes. I believe the U.S. legislative body is somewhat reticent about it. Now, the idea could be proposed to any of the Mercosur members. Argentina is willing to take this step. There are, however, two aspects to consider: one, Chile's incorporation into NAFTA, which is already a fact; and two, the aspect we predict for the future, that is, Argentina's entry into NAFTA—although it is postponed for the time being. We must also consider the transformation of GATT into an organization: the World Trade Organization. This GATT affair is almost ready. It is noteworthy that Chile, which was not a Mercosur member, has already requested entry, which is very significant for us because it makes things easier.

[De Alva] What was your position on Cuba at the Summit of the Americas, and what was Argentina's position on the island?

[Menem] I have always said what I think about Cuba. I have said it at all meetings, such as the Ibero-American Summits, and I have said it even when Fidel Castro was present. My position calls for Cuba to open toward democracy. I explained my position at the summit. I respect Castro; he is, after all, a chief of state. When I have to defend democracy, however, I defend it in my own country or in any country of the world.

I proposed that Cuba be asked to seek a democratic solution. I do not know if my proposal will succeed or not, but I prepared a document on the issue, which I cannot make public now. I usually do not "lobby" [previous word published in English] in advance to request support from other nations, so I tried to face it at the plenum of the assembly.

A more lenient document asking the island to democratize Fidel Castro was already presented in Cartagena de Indias. [sentence as published] We also asked the United States to lift the blockade, but that is an issue that concerns Washington alone; the rest concerns the other nations.

The second document will make the request in a stronger tone. How is the current Cuban situation different from that of Argentina under the dictatorship? Do they respect human rights? Do people elect their rulers? Are they living in a democracy? I do not know how people can say Cuba is living in a democracy.

[De Alva] How do you view the upcoming electoral process in Argentina and your chances for reelection?

[Menem] The upcoming 14 May 1995 elections look good. There will be three or four candidates for president. I believe my chances of being reelected are good if we take the polls into account: I have a 20-point advantage over my closest competitor. Well, everything could change; the people's level of preference may drop. There could be mistakes. I cannot make presumptions, but things look good for now.

[De Alva] What did you discuss during your meeting with Zedillo, and in which areas of trade with Mexico are you most interested?

[Menem] Well, trade was one of the main topics. I do not know what Mexico is currently lacking, but we are interested mainly in technology and services. Mexico is well ahead in the oil area. I am interested in the exchange of spare parts, because we manufacture very good vehicles; we even bought vehicles that were manufactured here for the Federal Police. There are many possibilities. We must compare those products made in our two countries.

[De Alva] Has South America changed its view of Mexico following the events that occurred there this year, considering that Mexico has always been a benefactor of South America, especially during times of dictatorships?

[Menem] No, no. We condemned the assassinations that took place there. These assassinations are really despicable and regrettable, but we believe Mexico has more

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than political problems; it has more social problems lately. These problems are nothing new for the rest of Latin America, and that is why we have not changed our view of Mexico. There is a high level of poverty in Mexico, and that is only one of the problems it must solve. These problems are nothing new; Argentina has poor people too. The thing is to know how to confront it. That is why we must act in the social arena and facilitate not only resources but the possibility of teaching people how to earn their livelihoods. In other words, we must teach them how to work. More than teaching them, we must train them to live in this post-capitalistic society. There are too many professional people driving cabs, and there are some workers who, without benefit of the same education, know how to operate a computer. Education is necessary, but knowledge is essential.

Editorial Views Challenges After Summit

PY1412200994 Buenos Aires LA NACION in Spanish 14 Dec 94 p 11

[Editorial: "After the Summit of the Americas"]

[FBIS Translated Text] The meeting in Miami of the chiefs of state of the 34 countries of the hemisphere concluded with the signing of an agreement to create a Free Trade Zone of the Americas in 2005, which in practice means expanding NAFTA—Canada, the United States, and Mexico at the present—to include all the nations that signed the agreement.

After noticeable tiffs among some countries and some political groups in the United States, it is no small wonder the objective of integration was reaffirmed and a relatively close date was established. Additionally, there was agreement among NAFTA members to include Chile as soon as 1996, which will of course hinder prospects of its quick association with Mercosur [Common Market of the South].

Moreover, the optimism that these results could generate must not overshadow the difficulties that emerged at the start of the preparations for the summit and which—without any doubt must be overcome. The White House planned the meeting as a mainly political event to celebrate the consolidation of democracy in the region and to stimulate personal links between President Clinton and other chiefs of state. But Latin American countries always wanted the forum to discuss topics like integration and development, to advance the plans to consolidate regional agreements, and to expand NAFTA. In other words, they wanted to revive the Initiative of the Americas, which was launched years ago by President Bush, and find a way to implement it.

The details were discussed up to the last moment, especially the schedule for 2005. Washington's idea was not to set a precise date, but Latin America insisted, and, on this point, it can be said they obtained a victory: But this was not as soon as Argentina—among others—wanted; in other words by 2000. Yet the agreement states that negotiations for a free trade zone must be concluded within 10 years. The U.S. Government stated, however, that "it was not prepared" to declare the Americas free of subsidies—as proposed in another initiative submitted by our country. Negotiations must coexist, therefore, with an instrument that is historically one of the most irritative within Inter-American trade relations.

This is one of the obstacles that must be overcome if we are to integrate a hemispheric free trade zone within the next 10 years. The attempt presupposes the concentration of an enormous amount of energy on objectives that are not just economic. For some countries the indispensable measures for adjustment and orderliness can presuppose an internal political cost that will be difficult to face. The same can be said about the prerequisites for the protection of the environment and the guaranteeing of certain labor rights that are demanded by NAFTA. At the start these demands caused reproach because it was considered that they were being manipulated for protectionist purposes by the United States. The White House highlighted as a victory the fact that, in the final draft of the document, member countries agreed to guarantee the observance and promotion of the workers rights as defined in international conventions.

The document includes references to other matters of great importance, although the objectives are not expressed with the same precision. They refer to the prevailing of human rights in the continent and to the fight against corruption. On the first point, it emphasizes womens' rights and establishes quantative long-term goals in matters of schooling and infantile mortality, questions on which most countries in the area have a long way to go. Regarding corruption, it proposes more severe sentences for corrupt officials who have illegally become rich.

The need to intensify a coordinated fight against drug trafficking and money laundering from trafficking and other illegal activities, and the freezing of impounded assets are also recalled. There are condemning statements about terrorism which compromise the actions of the signatory countries. The proposed creation of the White Helmets, which was submitted by President Menem, became an "invitation" to the nations meeting in Miami to create and finance units of volunteers to fight hunger and illness throughout the world. Regarding another topic on which the Argentine president was active: There was no agreement among the chiefs of state on a pronouncement against the regime of Fidel Castro.

The Summit of the Americas, which was awaited with a certain overall skepticism, has ended with results that can be considered positive. There is now an established agenda for trade integration that will become increasingly precise and will propose more concrete objectives as negotiations advance. For example, it will be necessary to explain to the countries or blocs that become members one by one as of 2005, like Chile is doing now,

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what prerequisites will be needed to be admitted into the free zone, and how will the progress of each country be evaluated.

The insistence and interest of the Latin American participants must be highlighted because the results of the Summit reflect a historic change in the region's political reasoning. They pushed for an ample and rapid trade opening and an overall liberalization of hemispheric exchange and insisted on a precise date and objective in the final document instead of allowing the document to become a vague declaration of purposes.

Defense Minister on Mercosur, Military Service

PY1512024794 Buenos Aires TELAM in Spanish 1813 GMT 14 Dec 94

[FBIS Translated Text] Buenos Aires, 14 Dec (TELAM)--Defense Minister Oscar Camilion said today that the upcoming implementation of Mercosur [Common Market of the South] on 1 January 1995 will abolish the possibility of regional conflicts.

"Mercosur is an integration process. It is obvious that Brazilian and Argentine relations are moving toward full complementation. It is obvious that a process of economic integration, anywhere in the world, implies a substantial risk reduction" in the military field, Camilion said, after presiding over the Navy midshipmen's graduation ceremony in front of the frigate Libertad, which is moored at the North Dock.

Camilion said: "The characteristics of an integration process substantially reduce the possibility of conflicts," adding that "Brazilian and Argentine relations are leading toward full complementation and total intimacy."

"Very few countries can afford the luxury of having such good bilateral relations as we do," Camilion said, emphasizing that "the possibility of conflicts with Brazil is nil."

Asked about the military budget, Camilion said that during the year the Armed Forces had "operated within very strict margins."

The defense minister said that in 1995 "we will not have any surplus, but will be able to fulfill our main functions. The additional funds for the voluntary military service are guaranteed because they are included in next year's budget."

Camilion said we have "approximately 20,000 men registered" under the new regime, adding that "the Armed Forces can function" with those men. The minister estimated that by March 1995 "we will have the number of men we need."

Camilion recalled that the average number of conscripts in the past years has been 20,000, reiterating that with those troops the military "was able to function well."

The minister reiterated that next year "we will have the necessary numbers and will not need to extend the deadline for releasing the personnel currently serving."

Camilion reiterated that "in May 1995 we will still have recruits born in 1975, simply because they joined later."

"For instance, the Navy does not recruit conscripts all at once, and at this time, there are soldiers who are still fulfilling the first part of their military service," the minister concluded.

Deputy Foreign Minister Cited on Falklands Poll

PY1412195094 Buenos Aires BUENOS AIRES HERALD in English 13 Dec 94 p 2

[FBIS Transcribed Text] (DYN)--A recent survey by British pollsters MORI of Malvinas residents "shows that there is an enormous number of islanders who oppose the status quo and that many of them regard Argentina with more positive criteria than after 1982," Deputy Foreign Minister Fernando Petrella said yesterday.

Petrella told a local news agency the poll holds out the possibility that island residents may be willing to discuss sovereignty with Argentina.

MORI questioned 203 islanders--nearly 10 percent of the population--in October at the request of Argentine consultant Manuel Mora y Araujo for undisclosed Argentine business interests. The reported goal was to gauge residents' willingness to accept compensation in return for a transfer of sovereignty to Argentina from Britain.

Petrella based his interpretation on the fact that "there is a small group that says there must be negotiations with Argentina, another that wonders under what condition negotiations could take place, and another--fairly large--that says it wants closer ties to the continent for trade reasons."

The official also said the British government's decision to allow the MORI to undertake the questionnaire "is an act of great significance."

According to results published in the Malvinas weekly Penguin News and The Times of London, 26 percent of island residents said they would accept compensation ranging from roughly 75,000 dollars to more than 1.5 million dollars if Britain had already agreed to transfer the islands to Argentina. Some 58 percent said they would refuse any payment, while 10 percent refused to answer and four percent said they did not know.

Four percent said Britain should negotiate sovereignty with Argentina, while eight percent said Argentina should be permitted to state its case and 57 percent believed the two countries should hold talks on all subjects except sovereignty. A further 30 percent said Britain should do nothing more than maintain its military base, while one percent did not know.

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Poll Reveals Opposition to Paying Kelpers

PY1412183094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1512 GMT 14 Dec 94

[FBIS Translated Text] Buenos Aires, 14 Dec (NA) — Some 80 percent of the Argentine people reject the idea of paying compensation to the Kelpers [preceding word in English] as a way to obtain their approval for the transfer of the sovereignty of the Malvinas Islands to Argentina.

According to a poll of 400 citizens in the Federal Capital and Greater Buenos Aires carried out by Telesurvey, which belongs to sociologist Heriberto Muraro, 70 percent expressed their disagreement with the idea, which was put forth by the Foreign Ministry.

Only 7 percent of those who were consulted said that the initiative was the correct one, while 15 percent did not give an opinion.

The most cited motive for rejecting the idea is that the islands "are ours," which was mentioned by 57 percent, while 34 percent indicated that the idea of paying the Kelpers [preceding word in English] "is ridiculous."

Some 10 percent of those who rejected the proposal indicated that they would prefer that money to be used for social purposes, while 9 percent considered that "there are more important matters."

Another 9 percent believes that "there is no money for compensation," while 2 percent maintained that "diplomatic channels are the best way."

Finally, 2 percent did not define the reasons for their rejection of the project, and 8 percent gave various explanations.

Pampa Plane Crashes, Killing 2 Crew Members

PY1412204494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1721 GMT 14 Dec 94

[FBIS Translated Text] Mendoza, 14 Dec (NA)— Military sources have reported that an Argentine Air Force Pampa plane crashed in the Andean region of Mendoza Province killing its two crew members at noon today.

The plane belonged to the 4th Air Brigade and was based in El Plumerillo, Mendoza Province. It was reported that the Pampa was being flown by a Navy officer and an Air Force noncommissioned officer at the time of the crash. The accident occurred around 1230 and the cause is unknown.

Military sources said the plane took off from the El Plumerillo airport on "routine maneuvers" in the Andean region. El Plumerillo base authorities learned of the accident but decided not to release any information on possible causes or the victims' identities.

It is known that the deceased Navy officer had been taking flying lessons in Mendoza for approximately one year.

It is also known that the Air Force noncommissioned officer was a permanent member of the 4th Air Brigade.

Bolivia

Aranibar Denies Possible Cabinet Reshuffle

PY1512115994 La Paz Television Nacional Network in Spanish 1700 GMT 14 Dec 94

[FBIS Translated Text] The Brazilian Supreme Court will hold its last session before the year-end recess. Luis Garcia Meza's extradition could be decided in this last session, although it is believed that this will not happen. This is what Foreign Minister Antonio Aranibar said regarding the matter:

[Begin Aranibar recording] Everything indicates that Garcia Meza's extradition will not be discussed. The appeal submitted by his lawyers exceeds 100 pages in length, and this is normal. Everything indicates that this appeal seeks to prevent the court from reviewing it today, because obviously to discuss this issue, some of the court members must have studied the entire appeal. I have no information either for or against the extradition, but I believe it will not be discussed today. [end recording]

Once again the lawyers of the former dictator are trying to buy some time. Why, no one knows, but what everyone is certain about is the fact that there is no turning back with regard to Garcia Meza's extradition.

On another subject, Foreign Minister Antonio Aranibar said that there will be no cabinet reshuffle.

As head of the ministerial cabinet, the foreign minister is in charge of calling the ministers for any event. And when we asked him about rumors of a cabinet reshuffle, he said that no one is thinking about it for the time being.

[Begin recording] [Unidentified reporter] Have you called all ministers for a resignation en masse?

[Aranibar, laughing] No. Absolutely not. There is nothing in this regard.

[Reporter] So there will be no cabinet reshuffle?

[Aranibar] Well, we have no indication about it. The president has not made any request for a mass resignation, and at no time have we thought about submitting our resignation en masse, as you are suggesting. [end recording]

Brazil

Editorial Sees 'Stumbling Blocks' of Miami Accord

PY1412181594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Dec 94 p A3

[Editorial from the "Notes and Information" page: "A long way to go"]

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[FBIS Translated Text] The Miami summit is one having all the ingredients needed to yield positive results as long as one agrees to refrain from looking at it through rose-colored glasses and as long as pessimism stops being the trademark of the so-called pan-Americanism. Lying before us is a gigantic economic integration project, the essence of which is free trade, as President Bill Clinton said in his opening speech at the Summit of the Americas. It is precisely the magnitude of the proposal that makes it necessary to exercise caution in taking the steps to implement the proposed task. In fact, the question does not entail discussing ways of integrating individual states through the elimination of customs barriers. History may have taught a lesson to those men who try to set its course beforehand because, instead of intergovernmental negotiations, what we will be seeing between now and the year 2005 are negotiations to find ways of reconciling the interests of the various economic groups which have already been created or which are in the process of being created, such as Mercosur [Common Market of the South], NAFTA, and other trade-commercial associations which are already operating on the basis of their own specific rules. The ideal objective is indeed integration—a "single world." Reality, however, poses small stumbling blocks that have been erected over the years, such as ALADI [Latin American Integration Association], whose rules—which are binding for its member states—have been raised against Mexico when it joined NAFTA. Another stumbling block is the Free Trade Zone that was recently creasted by Colombia, Venezuela, and Mexico, despite the latter being a member of both ALADI and NAFTA.

Customs barriers are bound to decline as governments and congresses become imbued with the spirit of free trade and aware of the advantages it is capable of bringing. It should be noted, however, that many political changes could take place between now and 2005—the deadline for completion of the negotiations to reconcile the interests of the various economic blocs in the hemisphere. The latest development is the announcement by the heads of government of the United States, Canada, and Mexico that they are willing to negotiate to allow Chile to join NAFTA. While this development would make the dreams of Chilean diplomats and economists come true, it would be detrimental—no one knows for how long—to the interests (or perhaps ambitions) of two of Chile's major South American counterparts: Argentina, which despite its sworn commitment to Mercosur—which will start tearing down customs barriers in less than 20 days— wanted to be invited to join NAFTA, and Brazil, whose president launched in Santiago the idea of creating the South American Free Trade Zone, a more feasible and promising initiative for the region than the one proposed in Miami. It should be noted that despite promoting the expansion of free trade, the Summit of the Americas has at no time changed the strategic objectives of those states that are capable of formulating such objectives. Most of the Mercosur objectives will be fulfilled starting on 1 January when new, lower external customs tariffs (that is, for items from countries outside Mercosur) will be applied by Brazil, Uruguay, Paraguay, and Argentina. There will also be zero tariffs for trade among Mercosur member countries. In this respect, Mercosur is at a more advanced stage than NAFTA.

The pursuit of these economic objectives will not affect what we mentioned earlier; that is, the strategic objectives of those states capable of formulating such objectives. It is important to note this because the United States has managed to link everything and a little more: The U.S. strategic objective (which may be considered to be valid urbi et orbe)—in addition to defending democracy and to fighting the drug trade—is to support a democratic market economy. To this we must add—because it is public knowledge—that Brazil has been included among the emerging markets that merit attention not only by private investors, but also by the U.S. Government, which is playing all its cards to support U.S. businessmen. By sponsoring the creation of a broad hemispheric market—even if along the way it may have to take irksome actions such as the invitation extended to Chile to join NAFTA—the United States is not overlooking its interests, which, from the standpoint of free trade, coincide with those of Brazil because we also seek to take advantage of the large U.S. market. Yet, because of pressure exerted by the new powerful group consisting of non-governmental organizations [NGO's], the U.S. interests may create obstacles to implementing the new framework of relations set up in Miami. Was it not Clinton who in his opening speech talked about the need to preserve the basic labor standards in order for free trade to bring prosperity to all? In other words, that is the "social dumping" theory, which at any time could be raised against Brazil by one of those NGO's having so much influence over the U.S. Government—except for the Chinese case.

Challenge of American Free Trade Bloc Examined

PY1412204194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Dec 94 p 2

[Editorial: "Brazil Within the Americas"]

[FBIS Translated Text] The recently closed Summit of the Americas drew attention due to its success. Although during the preliminary negotiations the United States tried to prevent the discussion of trade, in the end the Miami summit resulted in a proposal for the creation of a free trade zone throughout the continent. The proposed deadkube is scheduled for 2005.

Economic integration, with its implicit burden of freeing trade practices, is always positive. It is a fact that the world is now heading in an ever-increasing manner toward the elimination of protectionism.

For Brazil it is a formidable challenge, and this was pointed out in general lines by President-elect Fernando Henrique Cardoso when he made his evaluation of the

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summit. On the one hand it is a question of avoiding the risk that the large bloc of the Americas, with the enormous attraction of the U.S. market, will end up becoming a disintegrating factor for smaller blocs, such as Mercosur [Common Market of the South], in which the Brazilian trade sector is directly interested.

Meanwhile, and according to the schedule that has been approved and which is already in an advanced stage of implementation, in 2005 the four member countries of the Mercosur will have completed their customs union, and will therefore have a better stake with which to negotiate.

The other challenge is more complex: the quality of Brazilian production. To open up to the world means to be in a position to compete, and Brazil is in many aspects at a disadvantage. There are deficiencies in infrastructure and in the qualifications of the labor force; there is a technological deficiency in various sectors; Brazilian exports are irrationally taxed; and in the medium term the policy of stabilization could maintain an exchange rate that is not favorable for national production.

The challenge that has been provoked by a free trade zone must serve precisely for a confrontation, at last, with the components of the so-called Brazilian cost. Ten years seems a long time, but it is not such a long period of time when considered in historical terms.

The notable prospects for the continent in the economic sector are, therefore, in contrast with the survival of old political distortions. For example, Cuba was not invited to the summit because it is considered to be an autocratic regime, while the hardly democratic Peru of Fujimori participated like any other country. It is hoped that by the end of the century these two countries will have overcome their current autocracy. In any case, that type of judgement, with two criterion and two measures, does not contribute to the completion of democracy in the Americas.

Government Tax Reform Based on Four Bills

PY1412191294 Sao Paulo GAZETA MERCANTIL in Portuguese 5 Dec 94 p 3

[Article by Adriana Vasconcelos]

[FBIS Translated Text] Brasilia—The tax reform proposal that Fernando Henrique Cardoso will probably send to Congress early next February will be based on four draft bills. These bills, which were delivered to Cardoso last 25 November, have already been discussed by the Constituent Assembly. They suggest, among other things, the elimination of taxes on industrialized products, large fortunes, inheritances and donations, and fuel sales, as well as the scraping of additional income tax.

Deputies Nelson Jobim (PMDB/RS) [Brazilian Democratic Movement Party/Rio Grande do Sul] and Gustavo Krause (PFL/PE) [Liberal Front Party/Pernambuco], both of whom are mentioned as possible future cabinet members, were entrusted by Cardoso to outline the final text of his tax reform proposal. The four tax reform draft bills being analyzed by Cardoso's team include: an alternate draft bill prepared by former Constitutional Assembly rapporteur Jobim; a constitutional amendment by Senator Jose Serra (PSDB/SP) [Brazilian Social Democracy Party/Sao Paulo], who is also rumored to become a cabinet member; and two other draft bills that were discussed during the Constitutional Assembly debates but never published.

Jobim's alternative bill contains 10 articles. It begins by proposing that the annual principle [principio da anualidade]—which specifies that a tax cannot be collected in the fiscal year in which it is created—be modified to include the so called "tax packages." It establishes that bills to increase taxes must be presented to Congress by 30 June and approved before 30 September of the year before the bill comes into effect. It also proposes eliminating direct and indirect IPI [Industrial Products Tax] and ICMS [Goods and Services Movement Tax] on exports. It also establishes that 80 percent of federal taxes charged on exports be passed to the export-producing state and municipalities. It also eliminates the current exporting compensation fund [fundo de ressarcimento das exportacoes].

Jobim's bill also prohibits the deduction of ICMS charged on merchandise or services that have benefited from other fiscal incentives. It expands the concept of non-accumulation of IPI and ICMS, allowing for a deduction of the taxes charged on goods purchased for the contributors's use, consumption, or incorporation into his assets. The bill thus seeks to encourage the resumption of investments in Brazil. It foresees fiscal immunity for agricultural supplies, machines, and tools.

Jobim's bill creates mechanisms to gradually incorporate the mentioned changes into the Constitution. He suggests the equal application of ICMS taxation on national and imported products and the application of different percentages of social contributions—like Cofins [Social Investment Contribution] and PIS [Social Integration Program]. He also suggests a complementary bill to establish the destinations for ICMS revenue and sanctions on irregular foreign trade practices.

Meanwhile, Jose Serra's constitution amendment proposal is based on the principle of reinforcing the limitations on the government's power to charge taxes. Serra suggests that tax increases should be established exclusively through the Budget Guidelines Law (LDO). In simplifying the tax scope he also suggests the elimination of five taxes on industrialized products, large fortunes, inheritances and donations, fuel sales, and additional income tax.

In the tax structure suggested by Serra—who does not propose a totally new taxation system—the federal government would collect taxes on imports and exports, financial operations, incomes, and profits. The states and the Federal District would collect taxes on vehicle

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ownership. Municipalities would collect taxes on urban and rural land and buildings, inheritance—even if the drafter of the will is still alive—and all services. ICMS would be collected by both state and federal governments.

Suggesting a rationalization of contributions, Serra's bill proposes the elimination of some contributions, among them economic and trade union related ones. Contributions currently charged on sales, which have a knock-on effect, and high rates on payrolls would be gradually replaced by less distorted measures through a complementary law. Serra also suggests totally eliminating any fiscal incentive as a constitutional precept.

There are two more alternate draft bills on tax reforms proposal being studied by Cardoso's transition team. One suggests that the Constitution should not include taxation matters, which should be totally regulated by ordinary or complementary laws. It states that the Constitution should only establish the tax basis for the federal government, states, and municipalities.

The other draft bill, which envisages maintaining the current tax level, proposes reducing the number of taxes from 15 to 9. The federal government would collect taxes on imports, exports, income, industrialized products, and financial operations. The states would collect taxes on donations and inheritance, and the ICMS. Municipalities would collect taxes on property and services as well as the inheritance tax—even if the drafter of the will is still alive. It envisages the elimination of four taxes: those on large fortunes, on vehicle ownership, on retail fuel sales, and the state additional income tax.

The four draft bills have the following points in common:

- To eliminate taxation on exports. This is included in three of the four draft bills. State governments oppose this proposal. They agree, however, to eliminate the export compensation fund;
- To eliminate taxes on investments. State governments also oppose this proposal. Both Serra and Jobim foresee total compensation on the credits accumulated in former stages in proportion to their depreciation;
- To extend the annual principle. This is foreseen in the four bills but opposed by the executive branch;
- To exempt farm machinery and supplies from taxes. This proposal is included by both Serra and Jobim;
- To reevaluate fiscal incentives. This will be opposed by the legislative branch. Jobim and Serra propose prohibiting local incentives for the ICMS;
- To reevaluate the Fundaf/PIN [expansion unknown] Proterra [Land Redistribution and Agricultural-Livestock Incentive Program for the Northeast and North] and additional taxes on Merchant Navy freight charges. This proposal is included in all bills except in that of Jobim;
- To establish the ICMS tax values. Governors and state finance secretaries will complain at the changes proposed by the four bills and claim that tax values must be established by a complementary law or a Senate resolution;
- To eliminate taxes on large fortunes. Only the Jobim bill does not include this;
- To authorize the principle of destination of the ICMS. Only the bill that foresees eliminating taxation from the Constitution does not include this measure;
- To authorize charges of "anti-dumping" and compensatory rights. This proposal is included by both Serra and Jobim.

Police Dismantle 'Main' Rio Trafficking Gang

PY1512004794 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 14 Dec 94

[FBIS Translated Text] The anti-crime operation in Rio de Janeiro has facilitated the dismantling of the main drug trafficking gang that distributed cocaine in the Rio slums. The gang even used airline stewards to pass drugs through the Rio de Janeiro airport.

Carlos Alberto Moreira is the most important drug trafficker arrested since the Rio Operation began. The police say he is linked with the Italian Mafia and that he commands the principal cocaine and weapon distributing gang of the Rio slums. Moreira also owns an import car business which he used as a facade to cover his drug dealing.

In the luxurious house where Carlos Alberto lived, the police seized 2 kg of cocaine. Two of his gang members were also arrested: Noel Marques and Luiz Carlos Rufino Albanese, who owns an exchange house which the police say was used to launder the gang's money.

The police confiscated 8 kg of cocaine from Noel Marques and Luiz Carlos who had just arrived from Colombia by car. The gang normally distributed 30 percent of the drugs in the Rio slums, and the rest goes to France and Spain.

These arrests have uncovered a new drug trafficking connection that operated via the Rio de Janeiro international airport.

A breach in security made it possible for the gang to send drugs to Europe without being detected by the controls. The Federal Police found out that the cocaine was taken to Europe by airline stewards whose luggage was not checked before departure. The police have arrested one steward and are investigating eight others.

Criminals Move Weapons, Drugs From Rio Slums

PY1412013494 Rio de Janeiro O GLOBO in Portuguese 9 Dec 94 p 19

[Article by Fabio Lau]

[FBIS Translated Text] The weapons arsenals and drugs of the Pavao-Pavaozinho Hill slum, in Copacabana, and the Cantagalo Hill slum, in Ipanema, have been taken

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away and placed in stores and homes in these two sections of the city. This conclusion is registered in an official document to which O GLOBO had access. According to the document, some of the drugs that had been sold in the slums are now being sold by unsuspected people who live in Copacabana and Ipanema or who work in the movies theaters, bars, and night clubs of these two districts.

The operation conducted on 5 December by the Army, with the assistance of the Special Operations Battalion (Bope) of the Military Police, consisted of cordoning off the slums and access to certain sites where the military believed the criminals' arsenals were. Before the military deployment, drug trafficking in the Cantagalo Hill slum was conducted at the tiny grocery stores installed at the end of Teixeira de Melo Street. At the Pavao-Pavaozinho Hill slum, however, drug addicts had to climb a long stairway before finding the drug sales sites.

The document states that, expecting the military operations, the drug traffickers in the two slums transferred all weapons and drugs to other places in order to make it more difficult for the forces of order to find them. From now on, police operations will be conducted exclusively in the urban areas of these districts, where the drug sales sites and arsenals have allegedly been transferred. The drug traffickers in the two slums—who deemed the main ones in the southern region of Rio de Janeiro, as they supply drugs to the most inhabited districts in the city—have sophisticated weapons. For more than three years clashes between rival gangs have been creating panic among the slum residents. This is why these slums have become the two main targets of the Army.

Chile

Ministers: Mercosur, NAFTA Negotiations 'Not Incompatible'

PY1412202094 Madrid EFE in Spanish 1552 GMT 14 Dec 94

[FBIS Translated Text] Santiago, 14 Dec (EFE)—Chilean Foreign Minister Jose Miguel Insulza and Economy Minister Alvaro Garcia have agreed in pointing out that Chile's future entry into NAFTA is not incompatible with its negotiations with Mercosur [Common Market of the South].

Negotiations are "not at all incompatible," Foreign Minister Insulza said, adding that his country hopes to find a way to more quickly advance the talks with Mercosur.

Insulza also minimized the reluctance expressed on 12 December by Uruguayan President Luis Alberto Lacalle concerning possible incompatibility between Chile's entry into NAFTA and its association with Mercosur.

The Chilean foreign minister said: "President Lacalle has always been reluctant on this matter, at least publicly, but so far we are progressing well in the talks."

Chilean Economy Minister Alvaro Garcia also ruled out possible incompatibilities between the two economic integration agreements, and added that Argentine President Carlos Menem has congratulated his Chilean counterpart Eduardo Frei over Chile's imminent entry into NAFTA.

During the recent summit of the Americas held in Miami over the past weekend, Canada, the United States, and Mexico—the three countries that comprise NAFTA—officially invited Chile to join the said bloc.

Minister Garcia will head the Chilean delegation attending the 17 December Mercosur presidential summit in Ouro Preto (Brazil), where the presidents of Argentina, Brazil, Paraguay, and Uruguay will sign a protocol establishing the institutionality of the agreement.

Garcia expressed optimism over the progress in negotiations with Mercosur, and added that it is not incompatible with NAFTA, as both agreements square with the notion of open regionalism.

Wrap-up of Media Reaction to NAFTA Announcement

PY1412153294 Madrid EFE in Spanish 1454 GMT 12 Dec 94

[FBIS Translated Text] Santiago, 12 Dec (EFE)—Today the Chilean media stated that Chile's entry into NAFTA, announced on Sunday, 11 December, at the end of the Summit of the Americas, is an "historic" step for Chile and the continent.

The news was published today with bold headlines on the front pages of the Chilean newspapers, which are in agreement in pointing out that joining NAFTA, formed by the United States, Canada, and Mexico, means a great step forward in Chile's modernization process.

According to EL MERCURIO, Chile's entry into NAFTA "marks the beginning of a process that will lead all countries of the hemisphere to join a great market."

EL MERCURIO says that as he announced Chile's membership, U.S. President Bill Clinton asserted that Chile "is an ideal partner" for the NAFTA that was implemented in January.

LA EPOCA, in turn, states that Chile has become the first Latin American country to join NAFTA and asserts that the full negotiations will take at least 14 months, beginning in May.

The same newspaper states: "For Chile this invitation represents a great endorsement of its free market policy implemented more than a decade ago, with macroeconomic results translated into the best growth in the region and the curbing of inflation and the unemployment rate."

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On its front page LA NACION carries a photograph of President Eduardo Frei next to Clinton, Mexican President Ernesto Zedillo, and Canadian Prime Minister Jean Chretien. It also carries a special supplement on the subject.

According to this newspaper, Chile has started "an historic process," and it points out that the outcome of the Summit of the Americas represents "a commitment to prosperity" in which Chile will play a significant role.

In the opinion of LA TERCERA, Chile has joined "the club of the great." The daily quotes President Frei as saying that joining NAFTA gives Chileans good prospects for improving their living standards.

LAS ULTIMAS NOTICIAS states that Chile was the second Latin America country chosen to join NAFTA due to the political guarantees it offers to investors.

The daily states that this was the country's "letter of presentation" to its U.S. partners, something that countries with greater economic power in the region, such as Argentina and Brazil, do not have.

The Chilean media also agree in pointing out the enthusiasm of the local political sectors, and referred to the opposition of the labor unions and environmentalists and the leftist political parties without representation in Congress that oppose joining NAFTA because they believe it will affect the workers and the environment.

Security Council Discusses Defense, Coastal Resources

PY1512023994 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 14 Dec 94

[FBIS Translated Text] For the second time this year, the president this morning headed the Higher Council for National Security, Consusena. Vice Admiral Jorge Arancibia, who is national defense chief of staff and Consusena secretary, delivered an optimistic view of the national situation.

The following is a report from Government House by Jose Miguel Alfaro:

[Begin recording] [Alfaro] Consusena today held a meeting lasting two and a half hours, during which they were briefed exhaustively by the National Defense Staff office, which over the past two years has been headed by the Navy.

Returning to the La Moneda government house after his arrival from the Summit of the Americas in Miami, President Frei was briefed within the framework of Consusena by the national defense chief of staff about the political, social, economic and military situation.

[Arancibia] Chile is better structured, and from the economic point of view it is in good condition. From the social point of view, we are working with the different sectors. From the military point of view, each branch is devoted to their own duties and developing their own scheduled programs. This structure is working well. That is all I can say.

It is not up to me to specify whether the country is better or worse off. All I can say is that at the defense level—and specifically at the national defense staff level, which is the area under my jurisdiction—we are now certainly much better off, because the defense structure is working more harmoniously.

[Alfaro] The president later presided over a ceremony during which coastline policies were disclosed and the new regulations for maritime concessions approved.

During this ceremony, Defense Minister Edmundo Perez Yoma said that the harmonious occupation of the Chilean coast and the proper exploitation of resources are among the bases for the new development process.

[Perez Yoma] The use of the coastline not only encompasses economic growth, but also the proper and rational exploitation of our resources. This has an important impact on our harmonious coexistence with nature, because as a result of this we will ultimately realize that resources are not endless. Through this coexistence we will also learn how to better exploit these resources.

[Alfaro] The government believes that the rational use of the coastline will be an important factor in promoting the regionalization process that is currently being promoted. [end recording]

Colombia

Protests Against Coca Eradication Begin in Guaviare

PA1412210594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 13 Dec 94

[Telephone interview with Belarmino Correa, bishop of San Jose del Guaviare Bishop, in San Jose del Guaviare, by Dario Arizmend, in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Excerpt] [Arizmendi] The situation in San Jose del Guaviare continues to deteriorate. Yesterday, Diego Gonzalez, a 25-year-old lieutenant in the Counternarcotics Police, was killed when hit by machine-gun fire by subversive groups which attacked a counternarcotics helicopter in the jurisdiction of Miraflores Municipality. At this time, we ask San Jose del Guaviare Bishop Belarmino Correa to tell us about the situation there. Good morning, monsignor.

[Correa] Good morning, Dario. How are you today?

[Arizmendi] How is the situation in San Jose del Guaviare this morning? How was the night? How many people are there in San Jose right now?

[Correa] Dario, let us analyze this situation a little so that people can be better informed. First, how many

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people are there in San Jose del Guaviare? There are many people. There are many peasants. Yesterday, there were about 4,000, and more people are arriving from the lower Guaviare River, Calamar, La Libertad, and nearby towns. There are many people.

[Arizmendi] Would you say these are peasants freely arriving to protest the use of glyphosate by the government to eradicate the poppy plantations or are they being pressured by subversive forces, as Samper government officials have charged?

[Correa] Well, something is true and it is that peasants... [pauses] I want to clarify something. The government has let the problem here in Guaviare grow too much. We could say that Guaviare has filled up with coca workers right under everyone's noses. A long time ago we said the situation was going to get extremely serious because this is a social problem difficult to resolve. The people are making their living from coca. That is undeniable; this is true throughout Guaviare. It is very difficult to change this overnight after the problem was permitted to grow in this way.

There is a clear and decisive protest by the peasants because of the fumigation with this herbicide, which not only harms the coca but other crops nearby, plantain, cassava, etc.

That they are being pressured by the guerrillas, well, that is being investigated here because the number of people who have arrived here makes one ask oneself whether this is voluntary or whether there is some pressure.

The fact is that there are many people, and they are protesting the massive fumigation. They feel it is harming their work, even if they are involved in such an illegal activity.

The fact is that we do not see a solution in sight. I heard this morning on Radio Super that a national government commission which had promised to arrive tomorrow was not going to come because of the problems in Miraflores. A distinction must be made between Miraflores and San Jose del Guaviare. Miraflores is a town one hour's flight from San Jose del Guaviare. The strike is concentrated here in San Jose del Guaviare. I imagine the recent problems in Miraflores, although somewhat connected to the situation here, involve problems with public order, of the type that have always existed in Miraflores.

[Arizmendi] Is the San Jose del Guaviare airport runway still occupied by the protesters?

[Correa] Completely—the runway, the airport, the schools; the town is completely paralyzed.

[Arizmendi] Are businesses also paralyzed? Are the stores closed, is no food being sold, is there a dangerous and dramatic health situation?

[Correa] All of that is true. Food is getting scarce. There are health problems. The situation is quite serious. I think—and let us hope I will be heard in Bogota—that the arrival of the government commission is absolutely necessary to try to resolve this situation, which is very complicated.

[Arizmendi] Msgr. Belarmino Correa, what has been the attitude of the regional authorities so far?

[Correa] Well, in that regard we have to congratulate everyone. We are very happy about this. There has been complete calm on the part of the peasants here in San Jose del Guaviare. There has been no action against order, life, or the rights of others, even though the closing of stores and other things somewhat affects the rights of others. On the part of the authorities, there has been total moderation. The Army and the civilian government have maintained a very moderate attitude. We are waiting for a solution to a very difficult problem. [passage omitted]

Strike Organizers Deny Killing Officer

PA1412210794 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 14 Dec 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The strike by peasants against the spraying of glyphosate continues in San Jose del Guaviare. Two reporters for this newscast sent to the area were unable to leave due to transportation difficulties. The airport continues to be occupied by protesters. One of the organizers spoke over the telephone with us. For their part, the authorities are maintaining their position.

The organizers of the strike and the seizure of the airport in San Jose del Guaviare have emphatically denied that people from their movement were involved in the death of a counternarcotics officer in the town of Miraflores, where there is a similar movement.

[Begin Francisco Correa, San Jose del Guaviare civic leader, recording] We oppose all forms of violence. This is worrisome. Our movement does not have any type of ties or links to either drug trafficking or the guerrillas. [end recording]

The civic leaders of San Jose del Guaviare warned they will continue the peasant protest indefinitely until a government commission agrees to talk with them.

[Begin Correa recording] The strike will be for an indefinite period until either a commission comes here or we go to the capital, as was proposed today. [end recording]

Meanwhile, in Santa Fe de Bogota, high-ranking military leaders described as delicate the situation in San Jose del Guaviare, near which there have apparently been clashes with the Seventh Front of the FARC [Revolutionary Armed Forces of Colombia]. Three soldiers have been wounded in the fighting.

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[Begin General Camilo Zuniga, Armed Forces commander, recording] In general, the situation can be considered under control. [end recording]

In addition to the tense public order situation in the area, outbreaks of epidemics are occurring among peasants participating in the seizure of the airport.

There is a tense public order situation in Miraflores, also caused by the protests of peasants against the spraying of glyphosate.

Scenes like this [video shows helicopter overflight, soldiers seeking cover, evacuation of wounded] are taking place in Miraflores, Guaviare, where police counternarcotics units are trying to eradicate the coca fields in the region. Snipers, who are presumably guerrillas and who are camouflaged in the jungle, repeatedly open fire on the authorities to prevent the government measures. A police lieutenant has already been killed in the actions. Several wounded policemen have been evacuated to Villavicencio. Army and National Police reinforcements have been sent to the region to control the tense situation.

Ecuador

Nebot Discusses Candidacy in 1996 Elections

95SM00069B Quito HOY in Spanish 14 Nov 94 p 5A

[Interview with Jaime Nebot, Social Christian Party leader, by Martin Pallares; date and place not given: "Nebot Does Not Fear the 'Outsiders'"]

[FBIS Translated Text] Jaime Nebot, Social Christian candidate for president in the 1996 elections, says he does not fear the "outsiders" , inasmuch as he describes himself as an atypical politician. Although he does not say so in so many words, he seems to be indicating that he himself is somehow an "outsider" within the political party system. His strategy appears to be to link the organization and strength of his political party with the desire of the people to find new leaders who are different and uncontaminated.

Nebot indicates that he trusts the public opinion surveys—especially the Informe Confidencial [Confidential Report] poll—and minimizes the importance of the statistic according to which 81 percent of Ecuadorans are apparently still in the undecided category.

This interview with the Social Christian leader took place in the context of the discussion initiated by HOY for the purpose of analyzing the role that will be played in the 1996 elections by independent groups which for the first time since 1979—thanks to a constitutional amendment believed to be imminent—could play a leading role on the national political scene.

[Pallares] You are ahead in the polls. How do you plan to stay in first place?

[Nebot] By continuing our policy of interpreting the people's will. To the extent that we formulate a policy that transcends parties and differences of opinion—that interprets the will of the producers, the workers, and the unemployed—I believe we can maintain our lead. We can do this by defending the people's interests vis-a-vis the measures taken by the government, as for example by fighting to halt the rise in fuel prices and by announcing a series of projects of a social character that call for a socially oriented program of modernization and administrative decentralization that will enable revenues to be retained in all corners of the nation.

[Pallares] Your lead would seem to be somewhat fragile, inasmuch as these polls relate only to the small segment—19 percent—of the population that has already decided how it will vote.

[Nebot] That figure is incorrect. I must cite the polls that are taken by Informe Confidencial and by others. When these polls are taken—whether open or secret—you realize that a large percentage of the electorate have in fact decided how they will vote. This does not mean that the political picture has been decided. I am opposed to the publicizing of polls, all the more so if the intent is to misrepresent public opinion, as has often been the case in the past. I like to read poll results, in order to see what is going on and make corrections. Public opinion is not as important quantitatively as qualitatively: what is important is what lies behind the opinions of individual citizens.

[Pallares] Whose figures are you using?

[Nebot] The poll that I am referring to—because some have been taken—is the most recent open nationwide poll published by Informe Confidencial. If I remember rightly, I received 39 percent of the vote, Rodrigo Paz 14 percent, Abdala Bucaram 13 percent, Frank Vargas 12 percent, Raul Baca 3 percent, and Ricardo Noboa 2 percent.

[Pallares] But what percentage of the population has already made up its mind?

[Nebot] Around 100 percent [as published], because if you were to add up these percentages, the undecided would be in the minority.

[Pallares] On the basis of these figures, who is likely to be your most serious rival?

[Nebot] All of them. I have a different view of politics: I am a complete democrat and respect everyone. I believe the essence of democracy is to present your ideas so that the people may decide. I do not understand the concept of forming a front in order to oppose someone. I only understand fronts that are against unemployment or poverty. How can this goal be achieved? By reducing the size of government, by making it more efficient and decentralizing it, by improving relations between the private sector and the state, by opening our borders to domestic and foreign investment, and by promoting

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agriculture and livestock raising.... A real front would be directed against these proposals, not against the person who makes them. If what I am proposing is bad, let someone propose something better.

[Pallares] Might not there be someone who has the same ideas but greater credibility than you have?

[Nebot] The others do not have the same ideas, because mine are based on the efficiency of the market complemented by solidarity. My ideas are based on a proven capability, on a desire to accomplish things. That is why they are talking about a "front against Nebot" rather than against Nebot's ideas. As for credibility, if you check the polls you will see that the people do indeed believe Nebot. My enemies are not Paz or Bucaram but Ecuador's ills, and what is important to Ecuadorians is how and when these ills can be cured.

[Pallares] Do you not think that if this front includes independents—such as Ricardo Noboa—who share your constituency, your vote will be affected?

[Nebot] If you analyze the poll results for the second round, you will see that I come out ahead, with 59 percent versus a little more than 20 percent for any other potential second-round candidate.

I believe that one road has been traveled and one more remains to be traveled. I believe I traveled the first one successfully and will continue to travel the next one successfully. Society has been dislocated because politicians think in terms of getting into office, whereas I am thinking in terms of the day I leave office. A campaign rises above political partisanship: incumbency offers no advantage. President Duran Ballen should realize that it would have been much better if he had not won the presidency, because his image is going to be much worse than before. This demonstrates to him that it is not a question of winning office but of leaving office with a good record.

[Pallares] Have you ever considered that you may never get the opportunity to leave the presidency?

[Nebot] I could die, make a mistake some time in the future, lose my support, or increase my support.

[Pallares] Do you regard yourself as president?

[Nebot] I do not regard myself as president. The Ecuadorian people regard me as the best Ecuadorian for the job. I am not vain; this is a daily struggle.... You pay a price to attain goals that are difficult, and if you do not devote yourself with a healthy passion to the task of achieving these goals, it is very difficult to succeed. In Ecuador there are many who want to be president but do not want to be workers in a political movement. Talking will not do the job; you must work and must study what is going on in the world and in Ecuador.

[Pallares] Are you not afraid that the hour of the "outsiders" has arrived in Ecuador?

[Nebot] If you analyze the situation, you will see that I am not a typical politician. I have never believed in partyocracy. I invite you to reread my campaign speeches; I invite you to investigate my relationship with civilian society....

I take pride in being consistent even though I may be mistaken....

Who, then, are these people who pretend to be "outsiders?" Have they not been politicians, and are not some of them much older than I am? Have they not been members of political parties? An "outsider" is not some gentleman who has left his political party and now wants to play at being an "outsider." An "outsider" is someone who is a rebel: someone who is not contaminated by the decrepit political system.

[Pallares] Do you therefore consider yourself to be an "outsider?"

[Nebot] I consider myself to be an atypical and serious politician. I have been offering clear-cut proposals for a long time, and no one has refuted them. Fronts are being formed against me, but not against what I am saying.

EMETEL Modernization Goals Viewed

95SM0069A Quito EL COMERCIO in Spanish 16 Nov 94 p C2

[Unattributed article: "EMETEL is Without the Ability To Act"]

[FBIS Translated Text] *Sergio Flores, president and CEO of EMETEL [State Telecommunications Enterprise], says that the new legal standards for modernization are absolutely necessary. The shortage of telephone facilities—and the pressures to obtain service—exceed EMETEL's technical, financial, and operational capacity. There are five lines for every 100 residents. There are 1,370,400 persons for whom it is impossible to provide service*

The development of the nation's telecommunications system continues to lag behind. The legal framework that regulates the sector is already obsolete and makes no provision for foreign investment.

At the present time Ecuador has a telephone density of five lines per 100 residents. The unsatisfied demand amounts to 1,370,400 lines.

EMETEL has 6,020 employees, only 310 of whom are in the professional category; 131 are telecommunications engineers.

The goals for 1995 are ambitious: to achieve a telephone density of eight lines per 100 residents; achieve an efficiency of seven employees per 1,000 lines; install 44 ground stations as part of the Domsat [Domestic Satellite System] project; and install telecommunications services in 70 percent of all localities that have a population of more than 1,500.

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It is hoped that by the year 2000 all Ecuadoreans will have universal access to the telecommunications system. This would mean that all residents—regardless of their place of residence in Ecuador—will be able to communicate by telephone with any locality in this country or in the world from their homes, offices, public telephones, telephone booths, or elsewhere.

Sergio Flores, president and CEO of the State Telecommunications Enterprise (EMETEL), says it would be visionary to attempt to attain these objectives without being active participants in the change that the telecommunications sector is experiencing day by day throughout the world.

But how can this active participation be achieved? By means of a new legal framework. The existing telecommunications law does not recognize the basic principles of modernization.

One concrete example: the federation of EMETEL workers alleges that the enterprise sustains an annual loss of 50 billion sucres for the Call Back [preceding two words in English] service that some companies in Ecuador offer. There are no regulations in this area, however.

Three attempts have been made to accomplish this change.

The most recent attempt was made by the Social Christian party. In September the party introduced a telecommunications bill in Congress, but to date it has not come up for consideration.

It is expected to be put on the agenda after the special session of Congress, that is to say, in mid-January.

Flores says that thanks to the efforts of its management, technicians, and workers, Emetel has made some progress, as for example by instituting a number of projects for rural areas. A contract was signed day before yesterday to provide 1,500 telephone lines that will encompass the provinces of Azuay, Canar, Morona-Santiago, and Zamora-Chinchipe.

This will still be insufficient to meet the constantly increasing demand, however.

Flores maintains that the current technical, financial, and operating capacity of the enterprise is insufficient to remedy the shortage of lines or respond to the pressures to obtain service.

In order to meet the goals that have been set, EMETEL needs a new legal framework—one that will transform it into a corporation subject to the regulations contained in the Law on Private Companies.

Flores contends that this change in the law will increase the monetary value of the enterprise.

"This is the great task and commitment that the National Congress has before it in the area of telecommunications," he says.

Short-Term Projects

a. 15,000 lines for the provinces of Region 3 of Emetel. b. 10,500 lines for Calderon and Llano Chico. c. 7,000 lines for Bahia and San Vicente. d. 45,000 lines for Quito and Esmeraldas. e. Transmission systems are being installed for 234 localities in rural areas. f. Contracts for the installation of transmission systems for Loja.

Box, p C2

[Article by Mercedes Alvaro: "The Existing Law is an Obstacle"]

Under the existing legal framework—namely, the Special Telecommunications Law—the state owns 100 percent of the stock of EMETEL.

As a consequence of this state participation in the nation's telecommunications system—as in most Latin American countries where this model prevails—the service offered is deficient, basically because of the insufficiency of the available resources.

In our country, the principal problem in the telecommunications sector is the poor interface between the internal and external plants. The central exchanges have capacity—that is to say, they have lines—but there is no primary network.

The external plant consists of lead cables and plastic cables filled with petrolatum; the networks of lead cables have already outlived their useful life and are virtually unserviceable. The capacity at the centrals cannot be utilized, because of the inadequacy of the external plant.

It is estimated that from now until the year 2000, Ecuador will have to invest $805 million in order not to be left completely behind in the Latin American context—funds that our country does not have at its disposal.

According to data of the International Telecommunications Union, every telephone line in Ecuador is out of order an average of twice a year, with a failure rate of 197 percent per year.

In the light of all of this background data, how can the telecommunications sector be developed?

The response could be found in a new legal framework that would govern the nation's communications and facilitate foreign investment.

The Social Christian Party's bill establishing a new Telecommunications Law provides for EMETEL to be converted into a corporation and split into two companies, one north and one south. The state—through the instrumentality of CONAM [expansion not given]—would hold 60 percent of the stock; 5 percent would be held by the employees, and 35 percent would go to an international operating firm.

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Under the terms of the bill, a substantial improvement and expansion of the service would be expected of the new shareholders and of the international operating firm in particular.

The bill, however, calls for the conversion of the enterprise into a corporation to take place after the modernization process is completed and the value of the enterprise is established. Under those circumstances, about 18 months would be required before the enterprise would have a new legal framework. EMETEL is proposing that the conversion be carried out immediately.

If EMETEL obtains the new legal framework and begins to modernize immediately, the timetable could be speeded up somewhat. If the enterprise continues to be tied hand and foot, however, the deficiencies will get worse.

Roundup of Media Notes

95p20260

[FBIS Media Note]

Modernization Plans

Mauricio Pinto, head of the National Council for Modernization (Conam), told the Quito Construction Chamber that the administration's plan for modernizing the state could take 10 years to complete, Guayaquil EL UNIVERSO reported on 7 November. Pinto identified the privatizations of the State Telecommunications Enterprise (Emetel), the railway system, and the energy-electricity sector as priorities for 1995. Regarding the modernization of the Ecuadoran Social Security Institute (IESS), Guayaquil EL UNIVERSO on 22 November reported that Pinto proposed that the 2-year-old Chilean model be used. This would consist of dividing the social security system into two separate branches to cover health and retirement. In a nutshell, basic health insurance would cover a family of five, and a minimum retirement pension of $90 per month would be guaranteed.

Law Enforcement

The 17,000-man National Police force will recruit 7,000 men and acquire 1,200 more patrol vehicles by 1996, Guayaquil EL UNIVERSO revealed on 9 November. The daily's 7 November issue reported that the Police's elite Antikidnapping Unit, Unase, has been operating since 16 October with 2,500 men at its disposal. Quito HOY of 14 November reported that, 120 days after its creation, Unase solved four kidnapping cases in which the victim was returned "safe and sound??, without the need to pay ransom. Unase is currently conducting a kidnapping prevention campaign and has opened a hotline for citizens to report suspicious activities. Quito EL COMERCIO on 15 November reported that since the Armed Forces and the National Police combined crime-fighting operations in October, 2,314 people have been arrested. In the same month drug trafficking was the crime leading to the greatest number of arrests in the provinces of Guayas, Pichincha, Manabi, El Oro, Los Rios and Imbabura. Combined Armed Forces-Police operations are currently being carried out in Pichincha, Guayas, Chimborazo, Bolivar, El Oro, Los Rios, Manabi, Imbabura, Zamora Chichipe and Sucumbios, and are expected to expand to other provinces.

Polls on 1996 Election

The electoral panorama for 1996 is still "uncertain," according to the results of an Ecuadoran Data Company (Cedatos) poll summarized by Quito HOY on 27 October. According to Cedatos, only 19 percent of Ecuadoreans polled stated that they already knew for whom they would vote in the next presidential election. The rest were undecided. Of those polled, 63 percent claimed they were waiting for "new faces" among the candidates, whereas 37 percent said that all the possible candidates were already in place. The same daily reported on 15 November that Cedatos had put together a 15-point profile of the ideal president based on statements from people polled. Over 94 percent agreed that the future president should guarantee peace, security and employment for the Ecuadoran people. Informe Confidencial, one of the most important political consulting firms in the country, revealed that 39 percent of Ecuadoreans polled said they would vote for Jaime Nebot, head of the Social Christian Party (PSC). Other preferences were Rodrigo Paz, Popular Democracy (DP); Abdala Bucaram, Ecuadoran Roldosist Party (PRE); and Frank Vargas, Ecuadoran Revolutionary Popular Action (APRE) and first to officially announce his candidacy. Only 7 percent of those polled said they would vote for Raul Baca, Democratic Left (ID).

Poll on Institutions' Credibility

Results of an Informe Confidencial poll conducted in October on Ecuadoreans' confidence in their institutions were published in Quito HOY on 13 November. The survey was conducted among 2,700 Ecuadoreans over 18 throughout the country excluding the Amazon provinces and Galapagos. The margin of error was calculated at 4 percent. When asked to evaluate nine institutions according to their credibility on the scale of 1 to 10, the respondents said that the Armed Forces and television inspired the most confidence among them, scoring 6.7 and 6.4 points respectively. The pollsters asserted that the Armed Forces have almost always topped the list of trusted institutions, but that this was the first time that television came close to tying. Mayoralties and prefectures scored 5.3 points each. The pollsters explained that this meant that mayors, especially those of Quito and Guayaquil, cities containing most of the country's population, "have the overwhelming support of their people." Institutions scoring less than 5 points were the Police, the national government, the judiciary, Congress, and finally, political parties, which scored only 3.4.

Poll on Perceptions of the U.S.

A recent poll indicates that the United States' image among Ecuadoreans has improved from that of the

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1970's and 1980's when anti-U.S. sentiment was strong. The end of the Vietnam War and the toppling of rightwing dictatorships supported by the United States, along with the failure of Communism and the success of Western market economies contributed to the changing perceptions, concluded Informe Confidencial from a recent poll conducted among Guayaquil and Quito residents. Moreover, Informe Confidencial noted that attitudes on the United States among these two segments of the population were becoming similar, leaning more toward the "pragmatism" of the coastal population, represented by Guayaquil. The results of the poll, appearing in Quito HOY on 16 November, showed that over 60 percent of residents from both cities agreed that it didn't make any sense to oppose the United States any longer now that "Communism had disappeared." However, the polling institution still noted differences of opinion between natives of the coast and the highlanders, represented by Quito, when the questions became "more controversial". Asked if the U.S. Army should monitor peace and democracy throughout the world, over half—52.3 percent—of Guayaquil residents polled said they agreed, whereas 56.3 percent of Quito residents polled said they disagreed. Although the most controversial question—"since Ecuador has not been able to emerge from its backward status, the best thing that could happen would be a U.S. military invasion to restore order"—elicited a negative response from the majority of residents polled from both cities, the pollsters pointed out that 29.3 percent of Guayaquil inhabitants said they were in favor of the idea.

Azuay Industry, Exports

Azuay Province's exports totaled $17.5 million in 1993 and are expected to reach $40 million in 1994, reported Quito EL COMERCIO of 27 October. According to the daily, Azuay's industrial sector, comprised of 650 companies, employs about 30,000 people, 25.8 percent of Azuay's economically active population. Tire manufacturing and chemical production are the largest industries, according to The National Institute of Statistics and the Census (INEC) and the Azuay Chamber of Commerce. Together these two industries generated 201.17 billion sucres (2,300 sucres equal $1) in 1993-94.

IDB Credit for Quito

The municipality of Quito received $177 million in credits from the Inter-American Development Bank to carry out public works projects, including potable water and sewerage system improvements, as well as the restoration of historical monuments, according to Quito HOY of 14 October.

Paraguay

Finance Minister Resigns for Personal Reasons

PY1412181894 Asuncion NOTICIAS in Spanish 14 Dec 94 pp 20, 21

[FBIS Translated Text] After a three-hour meeting, Finance Minister Crispiniano Sandoval tendered his resignation to President Juan Carlos Wasmosy yesterday.

During a news conference at the Finance Ministry, Sandoval said the reasons for his resignation are strictly personal. He emphasized: "I am resigning for ethical reasons and because this post wears one out."

Nevertheless, the finance minister then said he has been constantly enduring "strong internal and external political pressures" against his work. He noted that a "clique" has been operating for some time within the Taxation Undersecretariat, which is under the Finance Ministry, and that it is very difficult to dismantle.

Sandoval was obviously talking about a head-on confrontation with Oscar Lopez Silvero, one of his subordinates in the Finance Ministry's administrative structure, who claimed that his son—Carlos Sandoval—is one of the visible leaders involved in large-scale contraband.

The "war" between Sandoval and Lopez broke out last week after Lopez ordered the confiscation of a shipment that allegedly entered our country with substantial customs tariff cuts. The minister's rejoinder followed, emphasizing that Lopez dedicates more time to partisan politics than to his duties as a public servant.

Sandoval added: "Lopez was appointed because he had great experience in taxation matters. Nevertheless, he has been gradually politicizing the Taxation Undersecretariat and now no one respects him due to his obvious personal political interests. He just wants to become a Colorado Party executive board member."

Chain Resignations

Sandoval's resignation yesterday prompted a chain of resignations by the financial administration under secretary (Orlando Bareiro); economy and integration under secretary (Julio Gonzalez Ugarte); and Customs Director Martin Avalos, who also participated in the battle against Lopez Silvero. According to Lopez Palace sources, Lopez Silvero reportedly tendered his resignation to Wasmosy himself.

Oscar Lopez Silvero also placed his post at the disposal of Wasmosy yesterday and asked him to appoint a desk manager to pursue the investigations into the alleged contraband reported by the journalists.

Significance of Summit Events, First Ladies Meeting Evaluated

PY1412194294 Asuncion ULTIMA HORA in Spanish 14 Dec 94 p 4

[Commentary by Tomas Palau Viladesau]

[FBIS Translated Text] The Americas' first ladies will meet in our country in 10 months. It will be a complementary summit. President Juan Carlos Wasmosy considered the selection of our city for such a meeting an obvious sign of the preferential treatment afforded to our country in Miami.

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The president surely has his reasons for such a conclusion, although it is not clear how such an event supposes a preference. A preference would be if the next summit met in Asuncion to commemorate the definitive eradication of corruption, the absence of drug cartels, and the end of drug trafficking. Or to commemorate the fact that the country has made clear progress in its fight against poverty, or because we have consolidated an efficient state that gives priority to education and offers public health care to all of our poor inhabitants.

The Miami summit was convened, in my humble opinion, to give the United States a chance to evaluate real possibilities, particularly how far they can go if they associate themselves with current Latin American governments, in a long delayed crusade to create a third commercial bloc at the world level.

In effect, the new world context, as the local press called it, is one where planetary security problems do not refer as much to armed conflicts between countries or subversion as to the increase of poverty.

Today's problem is not one of national security or hemispheric security, but one of food security. Rich countries today must face on the one hand the possible subversion caused by hunger, and on the other hand the need for capitalism to become increasingly competitive. The United States knows it is losing, by several lengths, the technological race, and even its capacity as a financial center, to the EU and Southeast Asia, and desperately needs its Latin American partners to become modern. It wants its partners to defeat corruption in the many and creative ways practiced by almost all regional governments; to defeat the growing financial power of drug traffickers; to solve the very serious environmental problems; and to do something to reduce the growing impoverishment that results from the voracity of our elites.

The United States want its partners to have governments elected by the vote of their people, independently of how truly democratic they might be.

But Wasmosy understands he is in a tight spot (although he does not seem to realize that he is also putting others in a similar situation).

He complained on the terrace of the "Dora Ocean Palace" in Miami that developed countries cannot continue to "squeeze and exploit us." It is one thing is to say what the others want to hear, but another and entirely different thing to talk about concrete plans.

That sudden lucidity is probably the reason why Paraguay received preferential treatment. The event is scheduled for around October 1995. On that occasion 34 first ladies will honor us with their presence.

Uruguay

Colorado, Blanco Parties Agree on Constitutional Reform

PY1512010194 Buenos Aires TELAM in Spanish 1709 GMT 14 Dec 94

[FBIS Translated Text] Montevideo, 14 Dec (TELAM-SNI)—Uruguay's President-elect Julio Maria Sanguinetti has reached an agreement with Blanco Party leaders to quickly approve a bill to amend the Constitution and pass a political parties law.

Sources from the ruling National (Blanco) Party told TELAM-SNI that the agreement was the result of Sanguinetti's contacts with the main Blanco Party leaders in order to form his government.

The 27 November election divided the country into three parts (Colorado Party, National Party, and Broad Front). The three groups have practically the same number of representatives in Congress, and this brought to the fore again the issue of constitutional reform.

Traditionally, the country has been ruled by the Colorado or Blanco parties. The scheme broke down in the past elections when the Broad Front obtained practically the same number of votes as the two traditional parties.

So far it has only been agreed to quickly approve a constitutional amendment, but without establishing the bases for the reform. It is known, however, that with the reform legislators will try to give future governments the necessary congressional majorities needed to govern.

The political parties law, in turn, will try to prevent the appearance of the multiple presidential candidates that has historically characterized Uruguayan elections.

The Colorado Party presented four presidential candidates, and the National Party three, for the 27 November elections.

Constitutional reform is a priority for the National Party. President Luis Alberto Lacalle said on several occasions that he will concentrate all his efforts on having the Constitution amended once he leaves office.

Sanguinetti yesterday designated the working teams that will be in charge of the transition. He also installed a constitutional reform commission made up of well-known Colorado Party jurists.

There were two frustrated attempts to reform the Constitution during the Lacalle administration. The first one, called the "maxi- reform," was rejected by Congress with the support of Sanguinetti's political followers (Batlleist Forum) and the leftist coalition Broad Front.

The second attempt, called "mini-reform," was approved by Congress but was later rejected by the people in a plebiscite carried out in August.

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The current Constitution was passed in 1967. It was approved when the Uruguayan political arena was dominated by the two-party system traditionally represented by the Blanco and Colorado parties.

The 1967 Constitution established an undefined line between the parliamentary and presidential systems of government. This has become a serious obstacle for all democratic governments, which have been unable to implement their plans.

Venezuela

Senate Approves Privatization Reform Bill, Others

PA1412154794 Caracas EL GLOBO in Spanish 10 Dec 94 p 3

[Report by Gina Rodriguez]

[FBIS Translated Text] Following a lengthy debate, the Senate has agreed on the emergency bill. During the first debate, the Senate approved the draft privatization reform bill which allows the executive to use 100 percent of earnings from privatization to pay off the foreign debt.

Radical Cause senators and Senator Leopoldo Sucre Fugarella abstained and opposed approval of a constitutional emergency bill. They argued that one-third of the Senate had to be present for the bill's passage; when the vote was taken only a simple majority was present.

Faced with this situation, Congress President Eduardo Gomez Tamayo accepted Senator Freddy Munoz's proposal that a special committee be created to solve this dilemma.

Following the commission's appointment, one of its members, Copei's [Social Christian Party] Edgar Flores proposed the emergency rule, which won the approval of the majority. Therefore, the second debate of the bill is scheduled for today, the Senate's last regular session in 1994.

Flores argued that that the privatization bill should be approved this year because it is directly linked to the 1995 budget. There might be problems with implementing the budget if there are any contradictions between the two laws.

Speaking on behalf of Radical Cause, Senator Jose Lira said that Flores' argument was unfounded because the budget as approved could be impugned by the Supreme Court of Justice.

On the other hand, Lira's colleague Lucas Matheus disagreed with Article 18 of the proposed bill, which directs that all funds earned from privatization be used to pay the debt.

Matheus said that such a resolution did not seem fair from a social point of view. In this sense he proposed that the article be changed by establishing percentages of the amount of the payments. His proposal was rejected.

LOFAN [Armed Forces Organic Law] Reforms Approved

After the Chamber of Deputies approved some changes to the reform bill, Senator Lewis Perez made a bid for emergency rule. The Senate also approved the LOFAN.

Articles 173, 175, 176, 170, 171, 174, 177, and 178 were reformed.

Congress Approves Own Budget

With Radical Cause abstaining, the joint session of Congress decided to approve its 1995 administrative budget, which totals to 4,897,749,000 bolivars.

Carlos Melo, deputy chief of the Radical Cause faction, said the proposed budget did not break down the financial allotments and that the administration showed little interest in preparing such a breakdown.

Melo demanded that the payroll be put on a sound basis and said once this was done Radical Cause would approve the salary increases.

On the other hand, Carmelo Lauria said that the budget did not make assignations for senators or deputies, but that the amount was the same for the entire Congress.

Justices of the Peace Law Approved

The Senate approved, under the name The Law of the Justices of the Peace, the Organic Law of Tribunals and Peace Procedures which the president had returned to the Senate.

"The president returned the legal text with some commentaries on its form, not its substance, because he shares the belief in the need for and the concept of the law itself," said Emilio Lopez, president of the Regional Development Commission in the Chamber of Deputies.

Lopez added that that President Caldera also shares the idea that there should be one judge for every 4,000 inhabitants, as stated in the proposed bill.

On the other hand, the congressman explained that by changing the name of the bill, changes had to be made in some articles which mention the law specifically. Aside from that, no substantial changes were made to the first text of the bill as approved by Congress.

The closing session of Congress is scheduled for today, in accordance to the extension approved in a joint session of Congress.

Once the debates are ended, the Commission of Delegates will be in charge of any congressional activities and will have the authority to convene special sessions if a situation which merits one arises.

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Caldera Speech Closes 1994 Congress

PA1412174794 Caracas Venezolana de Television Network in Spanish 1535 GMT 12 Dec 94

[Speech by President Rafael Caldera from Miraflores Palace in Caracas closing the regular sessions of the National Congress—live]

[FBIS Translated Text] Mr. Senate President, Mr. Chamber of Deputies President, Honorable Senators, Honorable Deputies:

The national government receives with satisfaction the notice forwarded by the legislative chambers that this year's sessions have ended. The national government recognizes the effort that both chambers have made throughout 1994 to work from January until December with the desire to respond to the country's demands and needs.

This is indoubtedly an affirmation that must make Venezuelans feel confident. Of course, there are many commitments ahead, both for legislative work and the executive branch. I hope that at the beginning of next year the legislative branch can give us laws that respond to the country's emergency situation, that it will supply the government with efficient instruments to fight problems, and that at the same time it will allow us to reestablish normal constitutional guarantees. The country knows very well that even with guarantees suspended we have fully respected the freedom of expression, of thought, to demonstrate, to strike—in other words, all basic freedoms have been fully exercised, contrary to unfavorable comments made by some, both here and abroad.

The government trusts that Congress will do an even more efficient job next year. We continue to consider the topic of constitutional reform a priority. This is an electoral promise that the country awaits with expectation.

Some people believe that the forces represented in Congress are not interested in constitutional reforms or lack the necessary guidance to make reforms meet the interests of the Venezuela of the 21st century. I am convinced that Congress has not lost sight of the fact that general constitutional reform will end up in the hands of people, whose interpretations of what they want and need is precisely what will have to lead to the reform of the Constitution.

The implementation of the emergency law must go on and must eliminate the old belief that the executive branch was always the bad guy. The objective of this law was to take the power necessary to handle crises away from the president and his aides. The country's historical and current realities have proven otherwise.

The national government, whose hands were tied by national laws enacted to attempt to take financial authority away and transfer it to other institutions, resulted in the disaster we sustained. This attitude means that people do not complain to those who enact the laws but to the president of the republic and his aides about the inevitable consequences of, for instance, some financial subsidies irresponsibly granted to some banks by officials we were unable to fire because of obstacles stipulated in previously approved laws.

We hope these laws will take care of this situation and that the traditional speeches on granting autonomy to all financial institutions to take authority away from the one person who has the main responsibility, namely the president of the republic, will be excluded from any permanent decisions the legislative chambers may make as far as this issue is concerned.

We believe there is much to be done. As for the budget, the country knows the government has little to work with. More than half the budget is allocated to debt payments and constitutional fixed income [situado]. The other half, allocated to essential spending on defense, foreign service, and administration, is almost irremovable. We all wish to reduce bureaucratic spending, but the mere fact of eliminating inefficient officials creates the financial obligation of having to pay them the social benefits to which they are entitled, which is almost impossible due to limitations of the state's resources. On one hand, people ask the government to increase efficiency in its work; on the other, they ask the government to decrease spending substantially. The increase in estimated revenues was made as Congress was discussing the budget. It was the result of a dialogue being held, which ended up in a budget we are not and will not be satisfied with until we are able to approve a budget, within one, two, or three years, that will effectively respond to the national reality, meet the country's needs, and offer incentives to increase administrative efficiency.

On the other hand, we are convinced that the privatization process, which we never considered a kind of panacea but a necessity and a convenience, will continue and will yield the expected results.

Meanwhile, the need for reform of the Venezuelan tax system is a fact no one can ignore. For the first time in Venezuela, the amount of taxes collected from the oil sector was less than the amount of taxes collected from the national government's other sources of financial revenue. People have these things in mind; obviously, it is not worthy and of no benefit to the country to use this solemn and propitious occasion to debate this issue. I will not fall to the temptation of entering into a political debate with a parliamentary bloc whose opinions I respect but with most of which I disagree. I am convinced that most Venezuelans disagree with these opinions too.

We must now pleasantly point out something that Honorable Deputy Melendez has said. He maintains that the tension between the executive and legislative branches has been overcome. The constitutional idea that each

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branch of power has its own goals and that each must also contribute to achieving the goals of the state is working well, despite continuing criticism, within the respect we owe to one another.

As for other issues, as I forecast an optimistic future for Venezuela, I am not speaking just on the basis of my own hopes.

IMF President Michel Camdessus was kind enough to ask to meet me; he came to see me at my hotel room in Miami, where the meeting of the 34 chiefs of state and government of the hemisphere was being held. According to him, the future of Venezuela is bright, and the government's attitude is right. He who has been considered the most rigorous and adamant critic of the economic policies of world governments made this statement. Mr. Camdessus recognized that the Venezuelan Government took emergency measures in an emergency situation. We took these measures on our own; no one instructed us. Many spokesmen for international financial institutions disagreed with the measures we took.

This is a reality that I think no one can deny. Those who intend to destroy the confidence, the hope of Venezuelans in the path on which we are leading the way, are wasting their time. I am convinced that those who try to stir up situations that lead to a much-touted social explosion, the great popular majorities, who do not want violence, who want peace, who have faith in the future of Venezuela, turn their backs on them everyday.

On this occasion Messrs. Senators, Messrs. Deputies, I invite members of the parliament, representatives of all political forces, to help lead the Venezuelan people with a message of solidarity, of self-esteem, faith, and confidence in the country's destiny. We are ending the year; we have overcome many crises, and we have proven wrong many prophecies that were being repeated in a sinister way for all these months.

I have full confidence in the Venezuelan people. I believe in Venezuela, and I am sure that when I speak to my fellow countrymen and remind them they must have faith, that they must sustain their hope, that they have to settle down in order to strengthen the trust and solidarity among all of us, I am saying something that speaks directly to the homes, the hearts, and the hopes of all Venezuelan families.

Messrs. Deputies, Messrs. Senators, thank you for your participation. I wish all of you and your families and the people you represent a very Merry Christmas and a happy 1995. [applause]

Emergency Board Assumes Control of Financial Group

PA1412180494 Caracas Venezolana de Television Network in Spanish 1630 GMT 14 Dec 94

[From the "The News" newscast]

[FBIS Translated Text] The Financial Emergency Board announced this morning its decision to assume control of the companies under the Latinoamericana-Progreso Group. This measure is intended to ensure the continuity of the financial, banking, and insurance services and to protect the clients' assets. However, expectations grew in the streets and account holders ran to the group's offices to get their money, but according to Banco Republica employees, only up to 100,000 bolivares are being paid.

With this resolution, Banco Progreso, Banco Republica, Seguros Progreso, Latinoamericana de Seguros, and the other companies of the conglomerate now belong entirely to the government through the Deposit Guarantee and Banking Protection Fund [Fogade]. Those companies had established a trusteeship in favor of Fogade as a guarantee for aid received previously, and it has now been assumed by Fogade.

Up to now, the names of the new authorities are not known. However, it is a soft intervention, similar to the ones at the Banco de Venezuela, Banco Consolidado, and Banco Andino. This ensures the continuity of the operations of those institutions and the stability of its personnel.

[Begin unidentified Banco Republica employee recording] In the name of the Banco Republica employees, we ask the people and our clients to remain calm. There is really no liquidity problem. We simply have to avoid a temporary run. We believe the media should help us and look for Mr. Castro [not further identified] to avoid a run, which is what can really cause our firm to collapse. [end recording]

Foreign Mission Representatives Discuss Summit Results

PA1412201294 Caracas EL GLOBO in Spanish 14 Dec 94 p 12

[Report by Laura Weffer Cifuentes]

[FBIS Translated Text] The Foreign Ministry held a luncheon for the diplomatic corps yesterday to celebrate the new year. The event was attended by several ambassadors who agreed that the hemispheric summit had been a success and that the signed agreements were a challenge as the time given to implement them was very short.

On the subject, Cuban representative German Sanchez Otero stated: "We definitely feel satisfied if our presence was felt at the summit, because the United States imposed our physical absence but we well know that Cuba is very much incorporated in Latin America and, thus, this was an arbitrary and artificial decision."

Regarding the position taken by all those chiefs of state who gave lectures on the island, Sanchez commented that they did not have much of a say and much less any right to give an opinion.

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However, do you consider that the Venezuelan position, assumed by Caldera at the summit, was to prod you to change your political regime?

We believe any country that asks us for a political change is going against an international right. Now, if the purpose for doing so is to contribute to resolving the differences between the United States and Cuba, then they will be welcomed.

Mexican Charge d'Affairs Juan Manuel Nungaray said he considered that they had accomplished productive goals at the Miami meeting. "The summit went beyond formalities and produced benefits."

As for Chile's admission into NAFTA, he views it as "a significant step toward integration. It means they have implemented a thorough reform in their economy."

He expressed his optimism regarding the admission of other nations into this treaty, which is thus far made up of the United States and Mexico. [as published] "All countries can participate, but they must comply with the requirements, acknowledging the various stages of development."

With the current situation in Mexico, a very moderate change is being noticed within the modifications of a new president. "Beginning negotiations with Chile and the political ratification of the Group of Three—which is another major subregional instrument—will be a priority for Mexico.

Colombian Ambassador Francisco Posada De la Pena was among the many who attended a concert of Venezuelan music. Posada denied he had any information on the identity of the terrorists who threatened a Venezuelan airplane at the airport of Santa Fe de Bogota last Monday.

He certainly emphasized the agreements regarding drug trafficking and money laundering since these two scourges adversely affect the neighboring country. "Drug trafficking is a crime that cannot be fought alone because it begins in one country and spreads to many other countries."

Legislators Reject Concentration of Presidential Power

PA1512040794 Caracas ECONOMIA HOY in Spanish 14 Dec 94 p 17

[FBIS Translated Text] Congress has some opinions that are quite different from President Caldera's. His message to legislators at Miraflores Palace was not well received. Some interpretations specifically label the head of state's attitude as authoritarian with an intention to concentrate power around the presidency.

Senator William Davila, a Democratic Action (AD) leader, made these statements, noting the government's contradictions when it says on the one hand that the crisis has been correctly handled, but on the other expresses a desire to step backward by putting the appointment of capable officials in the financial sector exclusively in the hands of the president.

Under these "circumstances," the AD senator says, deep down the executive is acknowledging that the banking situation has not been handled in the best manner, which is why the chief of state has decided to act this way.

"I do not think it is appropriate to concentrate supervisory tasks and monetary, economic, and fiscal policies in the president's hands. From an institutional viewpoint, the proper thing is for each institution to assume responsibility for itself. I believe the Emergency Financial Board experience has shown us a more positive way of doing things than concentrating all the power of the Banking Superintendency, Fogade [Deposit Guarantee and Banking Protection Fund], and the Central Bank in the hands of the president "

To cite a specific and recent instance, Davila recalled that the executive returned the Exchange System Proposal for the simple reason that the Central Bank of Venezuela's [BCV] opinion was included in it. The proposal, however, does not say that the BCV's opinion must be positive when a new exchange control system is adopted. This illustrates the tendency of the powerful echelons toward authoritarianism.

For Copei's [Social Christian Party] part, Nelson Chitty La Roche says the president is deeply troubled because the officials in his administration have not responded in the way he expected. Specifically, Chitty La Roche thinks the president is insisting that he knows everything and is in a position to handle anything within his reach. Chitty La Roche believes that an inclination to total hegemony is dangerous.

To dispel any doubts about the Congress' actions, he said the legislators' have worked responsibly, and the country has been given constitutional legal instruments, which he invites the president to follow.

Parlatino President Backs Anticorruption Pact

PA1412044594 Caracas EL UNIVERSAL in Spanish 11 Dec 94 Section 1 p 10

[FBIS Translated Text] Humberto Celli, president of the Latin American Parliament [Parlatino], backs the proposal of Venezuelan President Rafael Caldera—an anticorruption pact—at the Summit of the Americas.

Celli has said it is necessary that the corrupt not be harbored, that they not be granted asylum, because they are not politicians; they are common criminals.

"Corruption is the root of all our problems. The institution called asylum is for politicians who are persecuted for reasons other than corruption. This anomalous situation urgently needs to be corrected; otherwise, we shall fail in the hands of the corrupt."

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He has proposed that Latin American and Caribbean legislators "prepare compatible laws attacking this trend and punish those who, without scruples and mocking the people, assault the public coffers and then elude justice, their crimes unpunished."

Humberto Celli mentioned extreme and critical poverty, corruption, threats to the democratic system, and the foreign debt—factors negatively influencing Latin America and the Caribbean the most.

He believes critical poverty can produce a social explosion in our Latin American peoples and even threaten U.S. calm and stability.

"If the United States does not pledge to stimulate and increase Latin America's economic development, purchasing power, and the quality of life, the United States will soon be unable to maintain a privileged position in the world, because the other two poles, Japan and the Asian world and the European Union, will continue to strengthen their influence."

Defense Minister Appointment Could Force Resignations

PA1312123094 Caracas EL GLOBO in Spanish 12 Dec 94 p 4

[Article by Jose Ramon Diaz]

[FBIS Translated Text] According to reports from Fort Tiuna, Air Force General Maglio Montiel Arguello will resign as chief of the Joint General Staff if current Army Commander Gen. Moises Orozco Gaterol is appointed defense minister.

According to the source, Gen. Montiel Arguello (because of changes in the High Command) would be forced to retire early based on principles of seniority in the Armed Forces, specifically, promotion of the lower officer to the same rank of the higher.

Only a few days remain before President Rafael Caldera makes changes in the Defense Ministry to replace Army Gen. Rafael Angel Montero Revette. According to the rotation described in the table of division generals and vice admirals in active service as of 1 January 1995, the current chief of the Joint General Staff is five ranks above Gen. Orozco Gaterol. In the same order of seniority are Generals Otto Garcia Rivera and Egberto Artuza Delgado, Air Force and National Guard commanders, respectively, who could remain in command because they are the highest ranking officers in their respective branches of service. That is not the case, however, with Air Force Gen. Tulio Prado Fernandez, who could also resign from the Venezuelan Air Force Inspector General's Office. Army Gen. Nestor Lara Estrano will remain FAN [National Armed Forces] comptroller general, an agency subordinate—from an administrative viewpoint—to the presidency.

News Agency Announces National Digital Network

PA1412154694 Caracas EL NACIONAL in Spanish 12 Dec 94 p C-3

[FBIS Translated Text] The national news agency VENPRES will now cover the entire country via a digital network that combines two kinds of technology: data transmission on both the UHF band and the Panamsat 1.

"This is the final stage of the full modernization of Venezuela's information services," said VENPRES General Director Humberto Alvarez.

Over a year ago VENEPRES began computerizing its press room.

"The contract to distribute the information service was submitted for bids. TransData, a Venezuelan company, was chosen," Alvarez said.

This corporation is part of the giant Taridan international emporium which comes on the scene to try to unravel knots that for many years have tied up communications in the official state agency. VENPRES will jump from telegraphy into the era of wireless communications.

"The telecommunications system designed for VENPRES will allow it to cover every corner of Venezuela simultaneously, whenever an event occurs and the news report is written," TransData President Engineer Joseph Serousi explained.

Information will be sent to subscribers located within TransData's UHF regional networks, that is, to the country's leading urban centers. Data will be transmitted to subscribers in remote areas by satellite.

"Journalists and editors will no longer have to wait for transcription or reediting of texts which, besides creating bottlenecks and inconveniences, substantially detract from the service," Humberto Alvarez pointed out.

TransData's activity in the press room at VENPRES headquarters will focus on making the process of relaying information absolutely transparent and almost unnoticeable to the chief editors, without any loss of editors' control over their journalistic duties. Once the news item is approved for release, editors will not have to print it. It will be automatically routed at great speed through the TransData national network to VENPRES subscribers throughout the country.

TransData Corporation will connect its equipment to the existing network now used in the VENPRES press room as one more module in the internal chain. That equipment itself (not someone handling that equipment) will immediately transmit all texts ready for distribution to outer space, without using any cables, special lines, or large antennas in Central Park.

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At the other end of the chain are the media. Changes will be radical for them too.

Serousi said that "for over a year we at TransData Corporation have been studying how current VENPRES subscribers have received the service. The haphazard system was a disaster in the long run. The receiving end had teletype machines, where news items were printed. In this very competitive age services which do not directly enter subscribers' networks and equipments lag behind and are not guaranteed space in newspapers. Why? Because people must waste time rewriting and correcting items before publishing them."

The TransData system will allow VENPRES to enter the media's editing systems directly, regardless of the kind of computer network in each headquarters.

Roundup of Economic Developments

PA1412181394

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 13 December.

The Abraham Seniors company purchased the Banco del Fomento Regional de Coro in the first successful privatization effort by the government of Rafael Caldera. The company paid 658.8 million bolivares for the bank. (Caracas Union Radio Network in Spanish 2200 GMT 6 Dec 94)

This week the Central Bank of Venezuela will issue treasury bills worth 165 billion bolivares. The Deposit Guarantee and Banking Protection Fund will issue bonds worth 250 billion bolivares. (Caracas Union Radio Network in Spanish 2200 GMT 6 Dec 94)

The Exchange Administration Board has issued a resolution allowing foreign companies with direct investments in Venezuela to repatriate their dividends and capital to their respective countries. Foreign investors who fall under Decree 2,095 and are registered with the Superintendency for Foreign Investments (SIEX) may carry out this transaction by submitting a copy of their SIEX registration to the Exchange Administration Technical Office (Oficina Tecnica de Administracion Cambiaria). (Caracas EL NACIONAL in Spanish 7 Dec 94 p E-2)

Lagoven has discovered a deposit of light crude, 37 degrees API along the eastern coast of Lake Maracaibo. The well, called BA-2140X, produces 4,300 barrels a day. This is the third discovery this year within the framework of an exploratory drilling campaign Lagoven began in 1993 on Lake Maracaibo. (Caracas REPORTE DE LA ECONOMIA in Spanish 7 Dec 94 p 15)

Corpoven reported net earnings in 1994 of 53 billion bolivares. The company lowered production costs to 90 cents per barrel. Corpoven President Roberto Mandini added that in 1994 daily production will average 715,000 barrels. (Caracas ECONOMIA HOY in Spanish 9 Dec 94 p 13)

In 1994, Venezuela exported coal for the first time. It exported 3,995 metric tons of coal to the United States, Europe, and the Caribbean at $35 a metric ton. Venezuela's coal reserves total 9 billion metric tons and are distributed as follows: Zulia (80 percent), Andes (18 percent), Oriente (1.1 percent) and Falcon (0.9 percent). (Caracas REPORTE DE LA ECONOMIA in Spanish 9 Dec 94 p 11)

National Revenues Superintendent Jose Ignacio Moreno Leon announced there will be no banking or financial taxes next year, since the tax on banking debits (debito bancario) will no longer be levied as of 1 January 1995. He explained that Congress will debate the new tax on financial transactions when it resumes work. (Caracas Union Radio Network in Spanish 2200 GMT 11 Dec 94)

A report datelined Caracas on 12 December cites an announcement by the Finance Ministry that in 1994 the country earmarked $2.386 billion to pay its foreign debt, which will total $26.712 billion at the end of the year. The servicing of the foreign debt dropped $299 million compared to 1993; overall debt is $96 million less than the previous years. (Mexico City NOTIMEX in Spanish 1959 GMT 12 Dec 94)

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